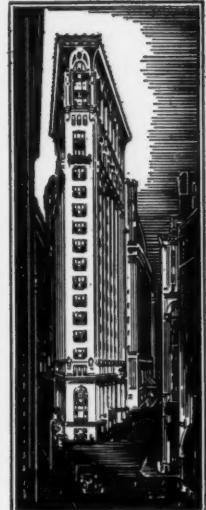


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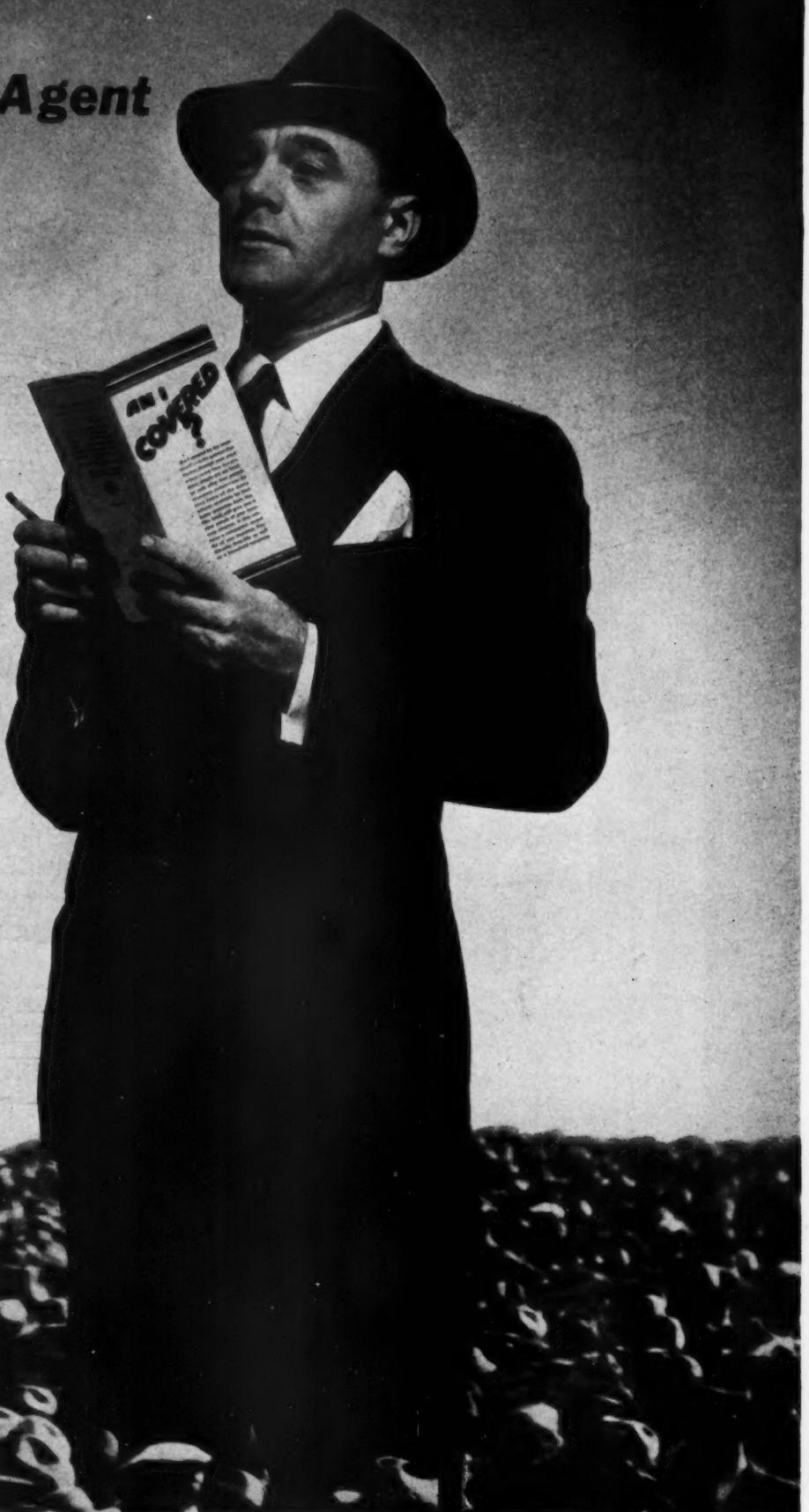
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Vacation "Peace of Mind" INSURANCE

Nearly everyone carries insurance on their personal effects while in their homes and at this time of the year when the vacation season is near at hand, increasing numbers are recognizing the need for

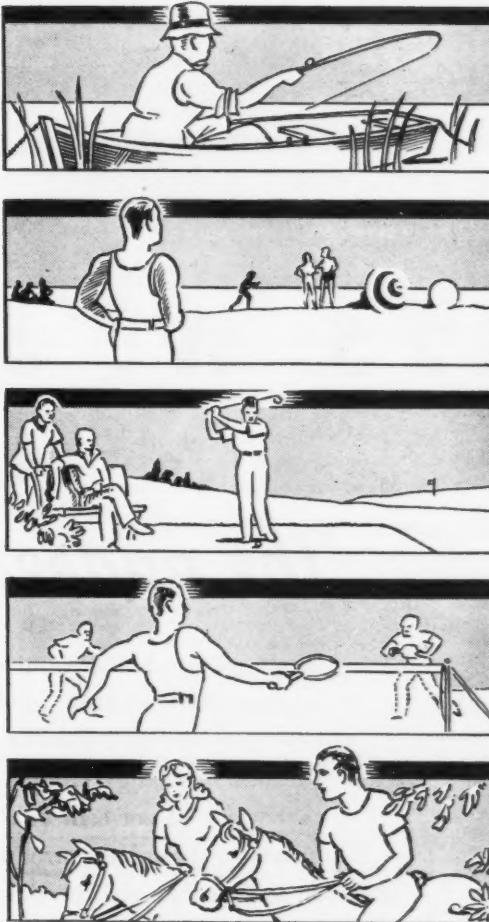
Personal Effects Coverage

to cover the more varied risks to which such property is subjected away from home, for example:

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INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

Fire, Tornado, Marine, Transpor-
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Forty-fourth Year—No. 26

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 27, 1940

\$4.00 Year, 20 Cents a Copy

S. Roy Woodall Is Elected President of Kentucky Agents

Rally Speakers Discuss
Rural Agents' Problems,
Farm Bureau Activities

NEW OFFICERS ELECTED

President—S. Roy Woodall, Paducah.
First vice-president—J. J. Hackworth,
Shelbyville (reelected).
Second vice-president—H. S. Vance,
Lexington.
Secretary-treasurer—P. B. Bethel,
Louisville (reelected).

By GEORGE E. WOHLGEMUTH

Discussion at the annual meeting of the Kentucky Association of Insurance Agents in Lexington centered largely around the increased activity in insurance education, the new Kentucky non-resident agents license law, rural agents' problems, a special forum for rural agents being one of the features of the convention, and Kentucky farm bureau activities.

S. Roy Woodall was elected president. He is a member of the firm of Woodall & Melton, Paducah. Mr. Woodall entered the business with his father, C. A. Woodall, who had established his agency in 1907, in 1925. In 1927 C. A. Woodall retired from the agency and the partnership of S. R. Woodall and Strother Melton was formed. The elder Mr. Woodall went to Princeton, Ky., where he acquired an agency which he still operates.

When the new partnership was formed, the agency was a farm agency with practically no recording or casualty business. About six years ago the farm business was sold and attention was given solely to the development of fire, casualty, and allied lines. In 1939, the agency produced about \$90,000 in fire and casualty premiums.

Mr. Woodall was president of the Paducah Board of Fire Underwriters 1938-1939 and is now secretary-treasurer of that organization.

Non-residents Agents License Law

Highlights of the new Kentucky non-residents agents license law were outlined by Director Goodpaster of the Kentucky department. Mr. Goodpaster said that the law had been very carefully prepared after a study of similar statutes in Ohio, Michigan and West Virginia. The law provides that any natural person who is licensed to sell

(CONTINUED ON PAGE 8)



S. Roy Woodall

Elsie Mayer Heads Insurance Women

National Association
Formed at Meeting in Den-
ver—Pick Nashville for '41

DENVER—Elsie B. Mayer, president of the Insurance Women of Denver, was elected president of the newly formed National Association of Insurance Women at a three-day convention here. Other officers are: Jean Smith, Los Angeles, first vice-president; Anita Richardson, Tacoma, Wash., second vice-president; Berneeda Faulk, Wichita, Kan., treasurer; Ethel Brink, Tulsa, Okla., recording secretary; Bertha Rachofsky, Denver, corresponding secretary. Directors are: Ada V. Doyle, Caldwell, N. J.; Mildred Robinson, Nashville; Erma Scottum, St. Paul, and Lou Ward, Atlanta.

Nashville, Tenn., whose local association of insurance women is the oldest in the United States, having been founded in 1923, was selected for the 1941 convention, which will be held June 13, preceded by a board meeting at Atlanta. Each club will be allowed only two voting delegates at future conventions, although there will be no limit on the number of delegates who may attend.

May Take In Life Women

Following the drafting of a constitution and by-laws it was decided that life insurance women may be members of the National association but that local associations shall continue their original charters without change; that is, if a local body affiliated with the national does not take in life workers, it shall not be required to change this policy. In that case, life women might form a separate local association of their own and become affiliated with the national. Where the two types of workers are embraced in a single local association, they shall be accepted for membership in the national without any distinction being drawn.

The new association will launch a drive for formation of more local clubs throughout the United States. Plans were immediately drawn for extending the Los Angeles association to take in Arizona.

Starts with 2,000 Members

The local bodies whose delegates were given authority to affiliate immediately with the national have an aggregate membership of more than 2,000. A number of others were sent to Denver to investigate the new move and report back to their respective bodies. All of them said they would strongly recommend membership in the national group, so within the next few weeks the total is expected to be swelled by several hundred.

The banquet drew an attendance of 340, including scores of guests from all branches of the insurance business in Denver and surrounding towns. Lieutenant-governor Vivian welcomed delegates at the banquet and William Wolvington of Wormwood & Wolvington, Denver attorneys and adjusters, suggested several principles for successful

Pink Treats Investment Problem

Nature of Investments in
Future Depend on
Makeup of World

HARTFORD—At the meeting of the National Association of Insurance Commissioners Superintendent L. H. Pink of New York in his address on investments said the most difficult problem of the depression has been drying up of new enterprises and the inability to find a sufficiency of sound investments. This situation has revived discussion of the possibility of a larger investment in common stocks, yet they often take a big tumble. He declared life companies should not invest in common stocks.

As to fire and casualty reserves he contended they should consist only of safest investments. While there are always headaches in the investment field, fortunately they are different, Mr. Pink asserted.

Mortgages Coming Back

In checking over low priced bonds, practically all are railroad issues, he said. Farm mortgages, he averred, have been through the worst stages. Mortgages he finds are coming again into their own. Replanning and rebuilding of cities will provide a safe investment for limited amounts of money, he believes.

Speaking of foreign companies, he emphasized the fact that they are in reality local companies in the states of their entry and they will stand irrespective of what happens.

The New York department has examined the investments of all foreign companies operating in that state. After deducting all foreign securities held by these companies, there are sufficient funds, he added, to meet all U. S. liabilities.

The kind of the world which will follow the war he declared will determine the character of the insurance structure and the control and nature of the investments in future years. Mr. Pink predicts that the investment of huge sums for defense will stimulate industry and employment for a while. Insurance, he said, is a democratic institution and can not live in totalitarian states.

"We must not run out on democracy, or individual rights, or our faith in the kind of country our forefathers built and entrusted to our care," he asserted.

Large Loss in Atlanta

ATLANTA—The Piggly Wiggly, operated by the Groeger Grocery & Baking Company, suffered a loss estimated at \$150,000 at its warehouse on Murphy avenue here.

adjusting. More than 100 took the mountain tour Sunday.

The Denver association, which sponsored plans for the new national group, has the second largest membership in the United States—187 paid up members—despite the fact that it has been in existence only two years. Los Angeles is the only larger body and it includes life women, who are not covered by the Denver group.

Blackall Slated for President of Commissioners

Conventioneers at Hart-
ford Reflect Gravity of
Hour in Their Deliberations

HARTFORD—The committee on valuations presided over by Pink of New York voted to use the same formula as last year with the understanding that if any grave emergency arises, the committee will meet prior to the December session to consider changes. The only amendment was that the valuation includes dividends accrued on preferred stocks and accrued and declared on all other stocks.

By C. M. CARTWRIGHT

HARTFORD—John C. Blackall, Connecticut commissioner, host official at the annual convention of the National Association of Insurance Commissioners, will be the new president of that body as no opposition is developing. He has served as vice-president and has convinced all of his ability to be at the wheel during a year when these supervisors will be confronted with extremely grave problems. The commissioners are demanding capable leadership in their trade and desire as their president a man who has his feet firmly planted on the ground and who will not be swayed by hysteria or impulsive sentiment.

The temper of the officials was revealed when invitations came from Florida and Arizona to hold the December meeting within their delightful confines. Immediately, cool heads declared it was no time for an entertainment and play boy convention. Led by Julian of Alabama and Palmer of Illinois, the officials were told they should be in close touch with insurance captains and profit by their counsel. Hence they contended the meeting should be in New York or Chicago. New York was selected.

The visitors came to Hartford laden with summer attire but the thermometer is down where heat is comfortable. Monday opened with lowering clouds, rain and cold, a decidedly inauspicious atmosphere for the clam bake Tuesday night.

Commissioner Blackall opened the convention and in introducing President C. C. Neslen of Utah spoke of him as having during his administration "contributed substantially to the well being of the association, especially on his peace tours." Bishop F. G. Budlong of the Episcopal Diocese of Connecticut spoke the invocation. Chief Justice Maltbie of the state supreme court brought greetings from the state, referring to the faith the citizens have in Connecticut insurance executives.

Geo. C. Long, Jr., member of the park

(CONTINUED ON PAGE 20)

OFFICIALS OF INSURANCE COMMISSIONERS ASSOCIATION



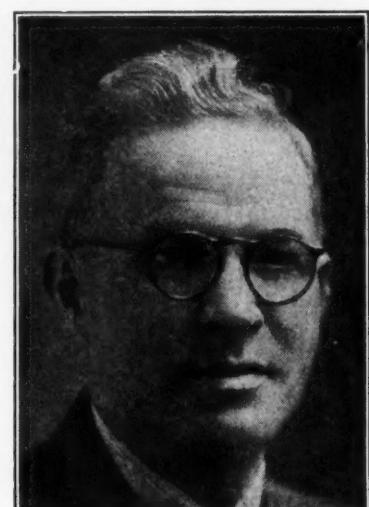
C. C. NESLEN, Utah President



J. C. BLACKALL, Connecticut Vice-President



JESS G. READ, Oklahoma Secretary



J. S. WILLIAMS, Mississippi Executive Committee Chairman

Firemen's Group Is Adopting Financial Service Method

For the benefit of the employees of the Firemen's of Newark J. R. Cooney, president, announces the adoption and installation of the "Financial Security Service Plan" for all employees at its home office. Employees at various branch offices will be included as soon as arrangements can be completed.

The installation and management of this plan will be under the direction of the A. V. Youngman Agency of the Mutual Benefit Life in cooperation with the Prudential.

For several years the Firemen's group has made available liberal life insurance and disability benefits under a group insurance contract underwritten by the Aetna Life. The new provisions of the social security act have created a definite need for the coordination of these revised benefits with group insurance and personal holdings.

Service Bureau Established

To meet this need a social security service and insurance bureau has been established at the home office. Each employee will receive a full explanation of what his or her social security benefits will be under present circumstances. Professionally trained life underwriters will then coordinate all the elements of the employee's financial security in order that through such understanding, full appreciation of the companies' contributions to employee's welfare will be obtained and the maximum benefits from a coordinated plan for the employee's dependents and their own retirement will result.

At the home office the bureau will be under the direction of S. C. Barnes. Associated with him are J. W. Tillou and H. S. Jenkins, Jr., all members of the Youngman Agency.

The bureau at the New York branch of the group is under the direction of J. B. Simpson of the Stewart, Hencken & Will agency of the Prudential.

Hartford Institute Awards Presented at Dinner

HARTFORD—Prize winners in fire, inland marine and casualty courses at the Institute of Insurance were guests of honor at a dinner given by the board. J. A. North, secretary Phoenix Fire, was toastmaster, and F. B. Wreaks, assistant secretary Aetna Fire, was the principal speaker.

In the fire division the prize winners

were: Arthur Kenyon, Aetna Fire, first; John Montgomery, Travelers, second; B. J. Coughlin, Automobile, and William Smith, Travelers, third.

Inland marine: W. N. Lindsay, Phoenix, first; Richard Vons, Automobile, second, and Edward Waters, Automobile, third.

Casualty division: Victor Bonander, first; Edward Broder, second; Irving White and George Clark, third, all of Hartford Accident.

E. S. Gledhill, institute president, presented the fire and inland marine prizes, and L. C. Coit, Century Indemnity, the casualty prizes.

Houston F. & C. Reduces Interest to Fire End

Houston Fire & Casualty has established a Pacific Coast department at San Francisco, under the management of J. S. Heidelberg. The company, which recently reinsured its casualty business through Cravens, Dargan & Fox, will shortly increase its net surplus through contributions from stockholders, who are largely connected with the Wesson Oil & Snowdrift Company of Texas.

Auto Superintendents Outing

The Automobile Superintendents Club of Chicago held an all day outing at Navajo Golf Club. Louis Ollmert, club president, Aetna Casualty and affiliated companies, presided at the dinner and Arthur Moyer, North America, golf chairman, distributing prizes. J. B. Johnson, assistant secretary automobile department Aetna affiliated companies at the head office, was a special guest.

E. H. Crump, Memphis agent and state political leader, was reelected Democratic committeeman from Tennessee at the state convention in Nashville.

THIS WEEK IN INSURANCE

National Association of Insurance Commissioners holds its annual convention in Hartford. Page 3

Annual meeting of the **New England Association of Insurance Agents** is being held at Poland Spring, Me. Page 5

S. Roy Woodall elected president of **Kentucky Association of Insurance Agents** at annual meeting in Lexington. Page 3

National Association of Insurance Women organized at meeting in Denver. Page 3

Firemen's of Newark group announces the adoption of the "financial security

Test Investment Ruling in Pa.

The Dauphin county court of common pleas heard arguments in the litigation that was brought by domestic Pennsylvania fire and casualty insurers to test a ruling that was made last fall by Commissioner Taggart governing investments.

The law has not been materially changed since 1911 but Mr. Taggart last fall issued a ruling that would require a major revision of investment portfolios of domestic companies. It is estimated that these companies in the aggregate show a deficiency of \$89,283,253 in the type of investment which Mr. Taggart holds they must own.

Sets Up Two Categories

The law sets up two categories of investments. The first restricts the investment of "capital" to classes of securities comparable to trust fund investments. The second step permits the investment of "surplus" in a broader list of securities. Until Mr. Taggart gave his ruling, the term "capital" had been interpreted to refer to capital stock. However, Mr. Taggart took the position that all funds of an insurer except net surplus must be invested in accordance with the legal provisions governing the investment of capital.

J. H. Roberts, district secretary of the Pacific Board, Salt Lake City, attended a meeting of sprinkler men sponsored by the Oregon Insurance Rating Bureau at Portland.

J. J. Donnellan, Sr., who has been in the general insurance business for several years has become general agent of Midwest Life in five counties in eastern Kansas, with headquarters at Emporia.

service plan" for all employees at the home office. Page 4

Risk Research Institute told of progress toward **all-risk liability** in New York. Page 17

National Bureau cuts rates on **long haul trucks** and **school buses**. Page 17

At the annual meeting of the New England Association of Insurance Agents at Poland Spring, Me., **Spencer Welton**, vice-president Massachusetts Bonding, spoke on the merchandising of surety bonds. Page 19

C. W. Hobbs reports on workmen's compensation developments of year at commissioners' meeting. Page 17

Commissioners Are Critical of HOLC Contract

HARTFORD—Some of the insurance commissioners are inclined to criticize the new Home Owners Loan Corporation insurance contract. A few are outspoken in their expressions. Where states have anti-rebate statutes, it is claimed that the HOLC contract is in direct violation with the refund that goes to the organization. Some officials cite what they claim are discriminations. Altogether, the contract does not sit well with certain commissioners.

Reverse Membership Appeal Jolts Illinois Agents

Local agents in Illinois got something of a start this week when they received the first of three mailing pieces that are being sent out by the Illinois Association of Insurance Agents in its membership drive. The letter was signed N. O. Profit and the first paragraph reads:

"Our Co-op Insurance Association has perfected a plan so that we can bring you your insurance at greatly reduced cost. As you know, part of your insurance premium goes to an agent for commission. It is our plan to have insurance written by co-ops direct, eliminating the agent and his commission, thereby saving you part of the cost of your insurance."

Expresses Fear of Agents Group

Farther along in the letter there is this statement: "There is only one thing that is fighting the co-ops insurance business in Illinois—the Illinois Association of Insurance Agents. Undoubtedly you know any number of insurance agents, so we ask you to get out and use your influence to keep them from joining the association, for their gaining numerical strength is the only thing that can stop us from gaining control of the insurance business in Illinois."

There was nothing in the letter to indicate that it was sent by the agents' association. Several literal-minded agents got hot under the collar and a good many inquiries were directed to companies as to the meaning of the letter. It proved to be a very effective interest getting device.

The mailing was made from the office of Dudley Giberson of Alton, executive vice-president of the association.

Hartford Sessions on Standard Policy

Piper Announces Four Hearings to Be Held in N. Y. This Summer

HARTFORD—Meetings of the insurance commissioners committee on the proposed revising of the New York standard fire policy are being held during the Hartford convention.

Representative Piper of New York announced there will be three open hearings in up state New York in July and one later in New York City.

At one session in Hartford E. S. Brashears of Washington, D. C., representing his local board and Attorney Tobias of Columbia, S. C., representing some local agents, gave criticisms.

New York State Agents Heard

The committee met for a short time late Tuesday evening to hear W. H. A. Munns of Syracuse, chairman of the conference committee of the New York State Association of Local Agents, who was accompanied by Robert Friedlich of Rochester and A. J. Smith, New York. He urged a further conference of the insurance department, companies, agents and brokers so that if possible there might be reached a common agreement. He personally objected to the proposed lightning clause, explosion clause, unconditional sole ownership, leased ground and foreclosure stipulations, unoccupancy, chattel mortgage provisions.

Interested spectators were Representative Piper, chairman of New York joint legislative committee on insurance, Senator Hampton, chairman New York senate insurance committee, and Prof. Ralph Blanchard, Columbia University.

Test Mass. Law Requiring Manager Be U. S. Citizen

NEW YORK—In an action instituted by Pearl Assurance in the United States district court for Massachusetts, the constitutionality of section 155 of chapter 175 of the general laws of Massachusetts has been presented to the court for adjudication. This statute requires the United States managers of British and other companies of foreign countries to be citizens of the United States.

British Here Many Years

British subjects have been in this country for many years and no attempt has previously been made by administrative officials to bring about a change in managerial personnel. The validity of this statute has been the subject of a great deal of discussion with the Massachusetts commissioner. Although unwilling to concede the invalidity of the statute, the commissioner indicated he had no objection to an action being instituted to test it. Accordingly a bill of complaint in equity was filed for that purpose June 21. Since the matter is to be decided by a statutory federal court and such a court cannot be assembled in Massachusetts until fall, the court issued a temporary restraining order June 24, enjoining the commissioner from enforcing the statute and restraining him from withholding the licenses of Pearl and its agents in Massachusetts until the hearing is held.

Innocent Purchaser Protected

The federal court of the southern district of Texas in *National Liberty vs. Mercer* held that an assignee of fire insurance proceeds was protected against the claims of garnishment creditors of the assignor where such assignment was made to the assignee for valuable consideration without any knowledge or notice on his part of the fraudulent intent to delay or defraud creditors of the assignor.

Report Lloyds to Set Up Canadian Headquarters

NEW YORK—London Lloyds is reported to have rented an entire floor in the Sun Life building in Montreal, planning to occupy it not later than Oct. 1. It will serve as general headquarters for their operations, at least until the European war ends.

Virginia Insurance School Has Registration of 200

RICHMOND—With an attendance of nearly 200, the first stock insurance school ever held in Virginia was opened at the University of Richmond Monday, continuing through Wednesday. The school was sponsored by the Virginia Association of Insurance Agents in cooperation with the university school.

Question Bee Conducted

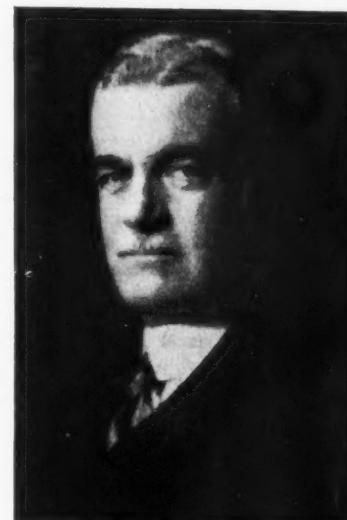
At the question bee conducted Tuesday afternoon by Robert I. Boswell of Richmond, \$50 were given those correctly answering questions. The questions were prepared by representatives of the Stock Fire Insurance Field Club of Virginia and the Casualty & Surety Underwriters Association of Virginia. Forty-five of those attending from out of town were housed in dormitories at the university. Others were guests of Richmond agents.

Speakers included a number of company representatives from home offices as well as others prominently identified with the business.

Warren F. Curtis, Richmond, was general chairman. Presiding at the sessions were B. B. Burroughs, Norfolk; Roger Clarke, Fredericksburg; J. D. Ewell and E. T. Dejarnette, Richmond.

Agents from all sections of Essex county, N. J., attended the annual "fun-day" of the **Essex County Insurance Agents Association** at the Rock Spring Country Club. President George E. Jamison of the association presided at the dinner. C. W. Bollinger was co-chairman of the committee of arrangements.

Give Welcome to Commissioners



R. M. BISSELL

R. M. Bissell, president Hartford Fire, is honorary chairman of the committee on arrangements made up of Hartford companies looking after the welfare of the National Association of Insurance Commissioners that is holding its annual meeting there this week. Mr. Bissell

New England Associations of Agents in Session

POLAND SPRING, ME.—This is New England local agents' week as the New England Associations of Insurance Agents are holding their annual meeting here. R. M. Pennell of Portland, Me., chairman of the advisory board, presides at the business session. He gave his annual report early in the meeting. He said at this critical and chaotic time in the world's history, clear and careful thinking is highly necessary. All in the business, he said, should be ready and willing to serve the country.

The advisory board, he said, has been giving earnest thought to some educational program for New England agents and it was suggested that a New England educational center might be established. C. I. Fisher of Rhode Island is chairman of the educational committee and gave his report at this convention.

Protest to Mutual Association

The advisory board and the conference committee of the board, he said, have spent much time in protests to the Mutual Fire Insurance Association objecting to the advertising campaign carried on by these New England mutual companies. The board objected to the subject matter and the manner in which it is used. This organization is accused of using direct mail overhead advertising which is considered detrimental to the agency system. The protests resulted in a conference. It was discovered that the mutual association does not advertise in an objectionable manner in either New Hampshire or Vermont, but it does in the other four New England states.

Objected to "Secret Rates"

The mutual association announced that it would be willing to discontinue direct mail advertising methods provided the advisory board would persuade the New England Fire Insurance Rating Association to discontinue promulgating what it terms "secret rates and forms." Its committee pointed out that its members pay for rates made by the bureau but are refused rates in instances of "secret tariffs." The advisory board committee stated that if "secret rates" were promulgated it was a matter between

the mutual companies and the fire rating association and it was not the province of the agents to enter into the controversy. Therefore, the agents were advised by the mutual association that it did not feel that it could be called upon to discontinue its advertising program. Mr. Pennell said that the position of the advisory board is that no company or group doing business under the agency system should advertise by direct



R. M. PENNELL

mail to the public without its being sent under the name of a particular agent.

Conference With Agents

Another subject that the advisory board is working on is a plan whereby important changes in rules before being promulgated by the companies or their bureaus shall be discussed with a committee representing the agents. Mr. Pennell said that there is no purpose on part of the board to embarrass the companies nor do they ask to have this conference idea go beyond what is reasonably feasible. He said that the agents recognize that they do not know all the problems and that they have not sufficient time properly to devote to some of the subjects which are bound to be constantly a problem with the companies. However, they do believe that their contact with the public is much closer and that their experience from these contacts should enable them to advise with the companies on contemplated changes. There would result, he believes, less antagonism. Changes could be made with far less friction and there would be much less misunderstanding. He expressed the hope that the success of the conferences that have been held last year will result in other voluntary meetings and that eventually most of these problems will be discussed between the companies and agents prior to adoption of important changes.

Scores Apologetic Attitudes

Speaking on "This Business of Ours," H. C. Conick, New York, assistant U. S. manager Royal-Liverpool, said that there are too many "Caspar Milquetoasts" in the insurance business who do not recognize the importance of their work and are inclined to apologize to virtually every one from whom they collect a premium. This is wrong, he said, and any one engaged in the business who is performing his duties properly and is qualified by education, experience, judgment and intelligence, is rendering a public service and carrying out a public trust. It is important that the high plane of the insurance business be brought to the public and that as

(CONTINUED ON PAGE 13)



GEORGE C. LONG, JR.

gave the address of welcome on the part of Hartford companies at the opening session Tuesday morning. George C. Long, Jr., president Phoenix of Hartford, spoke for the city in the place of the mayor in extending greetings to the commissioners.

NEWS OF FIELD MEN

Atlas Makes Important Shifts

Atlas announces a number of important changes in the middle west this week involving Minnesota, Iowa and Ohio.

In Minnesota, Atlas is embarking upon a direct agency program with the appointment of Neil B. Macaulay as state agent. Heretofore Atlas has been on a general agency basis in the state, being represented by Paul A. Enck & Co. of Minneapolis. Mr. Macaulay has been special agent for R. M. Neely & Co. of St. Paul for the past two and a half years. Before that for 11 years he was connected with the Fire Companies Inspection Bureau of Minnesota at Duluth. Special Agent R. A. Nelson of Des Moines, who has been traveling in Iowa and Nebraska, is being transferred to Cleveland where he will handle eastern Ohio and West Virginia. Mr. Nelson has been in the Iowa field for Atlas about three years and previously was connected with the Western Factory in Ohio. Hence in his new station he is familiar with the territory. John F. Roberts of Sandusky will look after western Ohio. O. F. Gibbs of Cleveland continues as state agent with immediate supervision of some of the larger cities.

Succeeding Mr. Nelson in Iowa and Nebraska for Atlas and Albany is Horace B. Chrissinger, Jr. He has been connected with the National Inspection Company in Detroit and previously for a time was in the western department of Springfield F. & M. after graduating from Dartmouth. His father is vice-president of the National Inspection Company.

Minn. Field Groups Elect at Outing

Minnesota field men held a two-day outing at Pine Beach hotel on Gull lake in northern Minnesota with 86 field men and company representatives in attendance. L. L. Law, London Assurance, Minneapolis, grand keeper of the Blue Goose; R. E. Verner, Western Actuarial Bureau, Chicago, and Leonard Lund, chief deputy Minnesota commissioner, spoke at the business and dinner meetings.

At the annual meeting of the Minnesota Underwriters Association these officers were elected: President, G. W. Blomgren, state agent Security of New Haven; vice-president, W. N. Hansen, Home; secretary-treasurer, W. G. McKnight, Fire Association; executive committee, C. H. Johnson, U. S. Fire; L. A. McIntyre, Springfield F. & M.; H. C. Van Dense, Royal. W. P. Canterbury, Caledonian, retiring president, reviewed the activities of the past year.

All officers of the Minnesota Fire Prevention Association were reelected. They are: President, A. R. Lofgren, Automobile; vice-president, Virgil Roby, Travelers Fire; secretary, Elwood Harper, Northern Assurance.

At the annual dinner of the Blue Goose, J. H. Lewis, Jr., St. Paul F. & M., most loyal gander, presided and spoke briefly. Prizes were awarded the winners in the various contests. Among the golf winners were: First, F. J. Dorman, Crum & Forster; second, W. F. Moore, North British; J. H. Lewis, St. Paul F. & M.; T. G. Linnell, general agent; W. W. Belford, National Union; Tom Merchant, Western Adjustment; H. B. Lucky, Aetna Fire; G. W. Blomgren, Security; V. V. Roby, Travelers Fire; C. J. Wittbecker, St. Paul F. & M.

General arrangements were in the hands of W. P. Canterbury, J. H. Lewis and A. R. Lofgren. R. L. Hanson conducted the contests. Ed Wirth, former Minnesota state agent National of Hartford, now of Tucson, Ariz., was a guest.

R. J. Price Heads Michigan Unit

R. J. Price of New York Underwriters was elected president of the Michigan Fire Underwriters Association at the annual gathering in Charlevoix. G. H. Haage, Norwich Union, is vice-president and J. Frank Bohrer, Camden Fire, secretary.

The Michigan Blue Goose held a good fellowship dinner. T. M. Nyholm, National Fire, most loyal gander elect, presided in the absence of M. L. Degehaar, Firemen's, who just recently returned to his home from the Mayo clinic.

W. T. Benallack, secretary Michigan F. & M., and wielder, was unable to be present, because of the death of his brother in Chicago.

Paul Seefeld, Grand Rapids, manager of the Michigan Inspection Bureau, won a handsome prize that was donated by the junior chamber of commerce and merchants of Charlevoix.

More than 100 attended the gathering. Field conditions and some of the current problems were discussed, with retiring President C. A. Dafoe, North British, presiding.

R. R. Bucknell, vice-president Detroit National Fire, served as chairman of the golf tournament. The winners included: Mr. Dafoe, Leonard Peterson, secretary of Home; P. F. Seefeld, Michigan Inspection Bureau; L. D. Ulrich, New York Underwriters; J. A. McLean, National Fire, and L. I. McKay, Northern of London.

Phoenix of Hartford Changes

E. W. Creighton has been placed in charge of the southern New Jersey field for Phoenix of Hartford. He takes the place of Paul Wilson, who was recently transferred to southern California.

B. B. Havey has been placed in charge of Maine with headquarters in Portland, succeeding F. C. Burill, who is retiring from active service after having handled the Maine field for nearly 30 years.

E. B. Keeling is retiring as Texas general agent. He has been with Phoenix a great many years and is known in the organization as "Uncle Ebe." The north Texas field will continue to be in charge of M. B. Elbert at Dallas and south Texas in charge of Richard Cosmus at Houston.

Brooks Alabama State Agent

R. W. Brooks has become Alabama state agent for Hines Bros., southern managers Crum & Forster, Atlanta. He has been with the group since 1925 and

New President of Ohio Fire Underwriters

Bruce R. Howard of Toledo, northwestern Ohio state agent of Firemen's, who was elected president of the Ohio Association of Fire Underwriters at the annual meeting in Columbus, entered the insurance field in 1919 with Royal at Chicago. He was later transferred to Toronto. Later he joined Northern Assurance in Chicago. He was special agent of Detroit National Fire 1924-1934, joining Firemen's in Wayne county the latter year. Mr. Howard was transferred to the Ohio field by the Firemen's three years ago. He is big toad in the Toledo puddle of the Blue Goose.



Bruce R. Howard

has been special agent for south Georgia. He succeeds Harry Haines, who died May 11. His headquarters are in Birmingham.

Patton Handles Mid-west Field for Republic

M. C. Patton, formerly superintendent of the automobile department in the Chicago metropolitan office of Pearl, has joined Republic of Dallas as executive special agent for the middle western states. His headquarters will be at his home, 7740 Westwood Drive, Elmwood Park, Ill. He has had a broad experience in fire and other lines as well as automobile. He had been in the Chicago office of Pearl about five years and was previously at the head office of Eureka Security Fire & Marine in Cincinnati.

Republic is now commencing to write automobile insurance in the middle western states. It is writing all types of automobile coverage except public liability. Republic has been writing automobile insurance in its home state and in some other territories and it is now expanding this activity.

Alamo Blue Goose Elects

The Alamo Blue Goose, San Antonio, at its annual meeting elected these officers: George J. Henry, Royal-Liverpool, most loyal gander; Jack Frazier, Firemen's, supervisor; Maury Pollard, Jr., Commercial Union, custodian; R. E. Alstead, Home, guardian; A. L. Thompson, Springfield Fire & Marine, keeper; Tom Holleran, Standard of New York, wielder.

George J. Henry presented a past most loyal gander's pin to J. C. Griswold, Griswold Adjusting Company, who was elected delegate to the grand nest. Fred A. Crawford, Great American, was elected alternate. Two candidates were initiated.

Charles L. Beale, Yorkshire, most loyal gander of the Texas pond, Dallas, reviewed the efforts to build up the attendance at Texas pond meetings.

N. Y. Meeting in Syracuse

The summer meeting of the Underwriters Association of New York State will be held in Syracuse July 9. The executive committee will meet July 8.

There will be an outing at the Syracuse Yacht & Country Club following the business sessions, with a golf tournament in which 10 Syracuse players will be pitted against 10 from other parts of the state and a dinner at 7 p. m.

Georgia Pond Has Dinner Dance

The Georgia Blue Goose closed its social season with a dinner dance, which leading ganders and ladies attended. Daniel Gober, who retired a year ago as state agent Security of New Haven, was a special guest. He continues his active membership in the pond. J. M. Harrison, Royal-Liverpool, retiring most loyal gander, introduced a number of new ganders initiated at the annual meeting in May. J. W. Morris, Jr., S.E.U.A., who will be wielder for the coming year, made arrangements for the affair.

Kansas Committees Named

C. E. Stiehl, London & Lancashire, president Kansas Fire Prevention Association, has announced his committees. V. B. Steenrod is chairman of the executive committee, which includes J. S. Jensen, Clarence Bean, George Steeples, Frank L. Britton and Charles Sheedy. Chairmen of other committees are: Speakers, J. Y. Dickerson; conference, Jack Reed; forms, E. H. Fikes; fire prevention week, V. B. Steenrod for affiliated towns and J. S. Jensen for non-affiliated.

Farewell for Two Iowa Men

DES MOINES—Iowa field men will hold a stag party July 8 here for two field men, D. L. Fischer, of Fidelity & Guaranty Fire, and R. A. Nelson of Atlas, who are being transferred. Mr. Fischer is president of the Iowa State

Fire Prevention association. Mr. Nelson is being transferred to Cleveland.

Leonard Named Contact Man

SPOKANE, WASH.—The Special Agents Association has appointed E. M. Leonard, America Fore, to succeed J. T. Breckon, Springfield, as contact man between the association and the Washington Advisory Committee. Mr. Breckon was transferred to California recently.

Arthur Turnquist Resigns

Arthur Turnquist has resigned as special agent in Minnesota and Wisconsin for the Pacific National Fire. He is a candidate for the legislature in Ramsey county.

Quebec Blue Goose Elects

J. R. Lachance has been elected most loyal gander of the Quebec Blue Goose; P. A. Badeaux, supervisor; E. H. Shea, custodian; O. A. Chandler, guardian; P. J. Ryan, keeper, and F. A. Jennings, wielder.

Grover Heads San Francisco Pond

SAN FRANCISCO—Fred J. Grover, superintendent of agencies Fire Association, was elected most loyal gander of the San Francisco Blue Goose at the annual banquet. James H. Rea, North America, is supervisor; H. E. Manners, National Automobile Club, custodian; John H. Martin, Standard Forms Bureau, guardian; Weldon E. Oxley, Springfield, keeper; Lee E. Coburn, delegates to the grand nest meeting.

Albuquerque Puddle's New Officers

The Albuquerque, N. M., Blue Goose puddle has elected these officers: R. T. Lawrence, Fireman's Fund, big toad; T. A. Banks, Fire Companies Adjustment Bureau, croaker; Walter Zener, adjuster, pollywog, and T. Pettie, bouncer.

The Oklahoma Blue Goose and the Oklahoma City Insurors Exchange staged a joint golf party at the new Twin Hills golf club. J. E. Wilkinson, Kansas City Fire & Marine, and Lewis Lacy of Lacy & Lacy agency were in charge of arrangements.

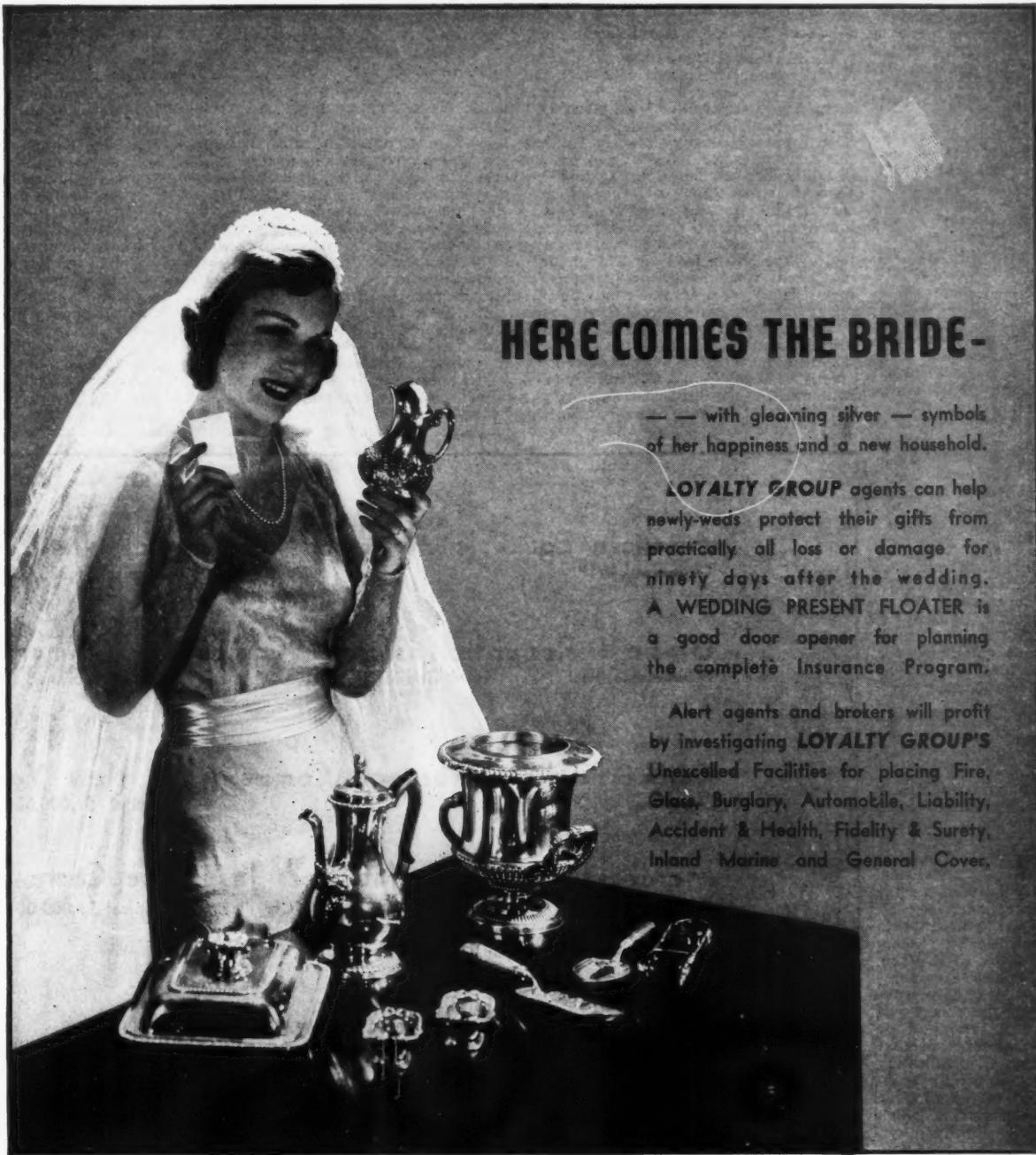
The annual meeting of the Seattle Blue Goose is set for June 28 at Inglewood Country Club.

At a luncheon meeting of the New Jersey Field Club in Newark, four new members were elected: E. C. Johanson, Employers Fire; J. E. Weniger, American of Newark; Russell Bleakly, Jr., Royal-Liverpool, G. M. Dimeling, North America.

The Insurance Women's Club of Oklahoma City was entertained at a picnic supper at Circle "S" Ranch, the country home of C. B. Sleeper, local agent.

Attendance Record of 35 Years Is Broken

W. T. Benallack of Detroit, secretary Michigan Fire & Marine, was called to Chicago the last week owing to the death of his brother, Henry J. Benallack, who was formerly connected with the western department of the Liverpool & London & Globe in the loss division. When the Liverpool moved its department to New York he retired from business. He suffered a stroke of apoplexy and died Tuesday. W. T. Benallack had made all arrangements to go to the Michigan field meeting at Charlevoix, especially to look after the Michigan Blue Goose function. This was the first meeting in the history of the Michigan pond that Mr. Benallack was absent. He was at the first one in 1905. He has a record that is notable in this respect. The remains of Henry J. Benallack were interred at Streator, Ill., the old home of his wife. W. T. Benallack, a former most loyal grand gander, has attended every grand nest meeting.



HERE COMES THE BRIDE-

— — with gleaming silver — symbols of her happiness and a new household.

LOYALTY GROUP agents can help newly-weds protect their gifts from practically all loss or damage for ninety days after the wedding. A WEDDING PRESENT FLOATER is a good door opener for planning the complete insurance Program.

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The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
Milwaukee Mechanics' Insurance Company

The Concordia Fire Insurance Co. of Milwaukee
Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Ins. Co. of N. Y.
Commercial Casualty Insurance Company

Western Department
344 Rush St
Chicago, Illinois

HOME OFFICE
10 Park Place
Newark, New Jersey

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Foreign Department
111 John St.
New York, New York

Pacific Department
220 Bush St.
San Francisco, Calif.

Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.



S. Roy Woodall Is Elected President

(CONTINUED FROM PAGE 3)

insurance in his state of residence, may write insurance on Kentucky risks owned outside of the state, provided it is solicited outside of the state and submitted to a Kentucky local agent for countersignature, upon the payment of a \$10 fee and the filing of a certified copy of the certificate with the home state insurance department.

A Kentucky agent cannot receive commission on business written by another Kentucky agent, Mr. Goodpaster said. Non-resident agents cannot secure business for other non-resident agents. A non-resident agent cannot receive commission on Kentucky business written in a non-admitted company. Mr. Goodpaster requested that the non-resident agent report the number of the licensed agent at the time of making his application.

Traveling salaried employees of mutual, reciprocal, or inter-insurance exchange organizations are exempt from the law but it does apply to such men compensated on a commission basis, he stated.

Mr. Goodpaster said that there were 509 companies operating in Kentucky, 54 companies domiciled in Kentucky, 26,000 agency licenses, and \$1,500,000 taxes collected on insurance premiums.

Gambling Creates Risks

"The casualty business has kept pace with the surge of progress in America," said E. H. Luecke, superintendent casualty production division, Fidelity & Casualty, New York. Distinguishing between insurance and gambling, Mr. Luecke said that insurance creates no risks, but assumes them; gambling creates risks.

Mr. Luecke said that the future of the business depended upon two factors, the writing of a greater volume of insurance on existing policyholders and the writing of a greater volume on the mass market. These, he said, explain the development of the past few years and the constant broadening of coverages. He outlined the history of various casualty coverages since they were first written, describing the casualty business as the newest of the insurance lines.

The current tendency to attempt to cure all evils of the world by passing legislation was criticised by G. R. Reed, Columbia, chairman legislative committee and national councillor. Many problems in the insurance business could be solved if agents devoted serious study to them, he said. Mr. Reed said that the failure of the agents' qualification bill sponsored by the Kentucky association to pass was due to the effective organization of mutual interests which opposed the bill.

Difficult to Judge Safety Results

G. J. White, Jackson, chairman safety committee, said that it was difficult to judge the results of safety activities in a tangible way, but he was satisfied that some good work had been done, mentioning particularly the work done in cooperation with the state highway patrol. The committee purchased a motion picture projector and presented it to the patrol, which is being used to show safety films throughout the state. Regular courses in auto driving have been established in a number of high schools.

Activities of the state and national associations the preceding year were outlined by Secretary-Treasurer P. W. Bethel in his annual report. He said membership was 261. He mentioned the success of the Florida agents' schools and suggested that the district meetings might be nuclei for such schools. He said that the Missouri association had been successful in stopping the N.R.O.G. free insurance plan for retail grocers as contrary to law, but urged watchfulness, stating that a Kentucky warehouse was operating through retail grocers. The

Kentucky farm bureau, he said, was soliciting its members for auto insurance, the risks being written by the Indiana farm bureau's insurance carrier until 2,000 insured had been secured. Mr. Bethel expressed appreciation for the Kentucky department's cooperation and its rulings on the writing of financed cars and the licensing of building and loan representatives.

Kentucky Has More Rural Agents

D. R. Peel, Benton, chairman rural agents committee, in his report at the forum for rural agents, said that Kentucky was an agricultural state and had more rural than city agents. His committee, he said, had recommended that the basic rates for risks written on the installment plan be reduced, that no change be made in the cash plan, but that credits on the basic rate be allowed for superior risks. He referred to the organization of the Farmers Mutual by the Kentucky farm bureau, stating that if insurance agents' names and their friends were deleted from the bureau's membership roster, there would be a great numerical decline in its membership.

Getting business in the first place isn't exactly easy, said R. W. Carter, farm superintendent in western department Aetna, but the next problem is for the agent to hold what he has. Every one seems to

be looking for bargains these days, and too often in doing this quality is overlooked. The agents can make the policies they sell a bargain if they keep them up to date at all times, advised Mr. Carter.

Warn Against Fire Hazards

When insuring the average farmer the agent leaves him carrying a portion of his own risk. In doing so the agent should warn the farmer to eliminate his more common fire hazard and thereby protect the uninsured value. Mr. Carter listed the more common causes as defective chimneys and heating apparatus, sparks on combustible roofs, lightning, spontaneous combustion, unknown, and other common causes, including misuse of gasoline and kerosene, matches, smoking and electricity. "Yet by discussing these primary hazards you will be able to render an excellent service to your clients which will be directly responsible for reducing the number of fires in your district."

Mr. Carter touched for a moment upon moral hazard. He said that there was no need for the agent to blind himself to the fact that this hazard exists in varying degrees. In times of great economic stress this naturally increases, but, by and large, even if there is an insidious hazard, it may be controlled. If it

is to be controlled, however, this must be done by the agents.

Some farmers, Mr. Carter said, wanted war and bombardment coverage, which was available at about 5 cents a year. Under the farm extended coverage endorsement, he said, chickens are covered only on the premises, and the company is not liable if they are killed on the road, although cattle are covered.

Establish Confidence of Farmer

Establishing the confidence of the farmer in the agent was termed one of the most important things in the selling of farm insurance by S. C. Barnes, Elizabethtown. Mr. Barnes said it was also necessary to know your man, find out his interests, give service, understand contracts, and plan work carefully. Cooperation with the fieldman was essential, he said. Mr. Barnes said that he had driven 44,580 miles last year in writing and servicing business.

J. E. Cryan, superintendent hail department America Fore group, Chicago, replaced S. C. May, Lebanon, who was called home, on the program. Mr. Cryan discussed the activities of the farm bureau and said that it expected to increase its membership in Kentucky from 12,000 to 40,000. Its sheep insurance plan had grown rapidly, he stated. In Marion county alone it was estimated to have insured from 7,500 to 10,000

American Equitable Assurance Company of New York

Organized 1918

Capital \$1,000,000.00

Globe & Republic Insurance Company of America

Philadelphia, Pa.

Capital \$1,000,000.00

Established 1862

Knickerbocker Insurance Company of New York

Organized 1913

Capital \$1,000,000.00

Merchants and Manufacturers Insurance Company

Organized 1849

Capital \$1,000,000.00

New York Fire Insurance Company

Incorporated 1832

Capital \$1,000,000.00

United States Fire Department

Switzerland General Insurance Company, Ltd.

Zurich, Switzerland

Established 1869



Losses paid exceed
Two Hundred and Fifty Million Dollars

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New York

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INSURANCE UNDERWRITERS
MANAGER

92 William Street

sheep. The bureau, in that connection, has been active in forcing the licensing of dogs. In three years the number of licensed dogs jumped from 600 to 2,000 and 600 dogs were killed.

Mr. Cryan urged agents to take advantage of the insurable values now developing on growing crops, which amounted to thousands of dollars in Kentucky alone. He said that there were 17 hail days in the Kentucky growing season. Hail premiums each year amount to from \$10,000,000 to \$12,000,000.

Companies Have Recognized Needs

The companies, declared R. W. Forshay, Anita, Ia., have recognized the needs of rural agents and are bringing out more saleable contracts. These include the extended coverage endorsement, unearned premium insurance, and new developments in fire prevention and protection. "Rural agents are modern," Mr. Forshay asserted, "because they realize the need for education."

He urged agents to get booklet R-1092 of the U. S. Department of Labor on the "Developments in Consumer Cooperation in 1939." The counsel of the American Farm Bureau Federation said recently in a speech that there should be one mutual fire company in each state, about 40 mutual casualty companies, and from 6 to 8 life companies in the country, Mr. Forshay stated.

"Modern rural agents are the shock troops of the insurance industry," he declared.

BLUEGRASS NOTES

The two convention committee chairmen appointed by President Whitt of the Kentucky Association of Insurance Agents at its meeting in Lexington, were L. S. Shaw, Mayfield, nominating, and T. S. Dugan, Louisville, resolutions.

Traditional Kentucky hospitality was in evidence at the cocktail party given by Len Shouse, Len Shouse, Jr., and John Shouse of the Hotel Lafayette.

L. S. Shaw, Mayfield, president of the past president's club, presided at the club's annual breakfast, which is becoming a tradition of the convention. Eleven men were present: N. I. Taylor, Burnside; A. G. Sulser, Mayfield; G. R. Reed, Columbia; D. R. Peel, Benton; T. S. Dugan, Louisville; C. J. Smith, Lexington; H. B. Wilson, Irvine; J. H. Gausepohl, Covington; J. G. Galloway, Louisville, and President Whitt.

Considerable joshing arose from the appearance of three bald headed men on the program, S. C. Barnes, Elizabethtown; R. W. Forshay, Anita, Ia., chairman rural agents committee National Association of Insurance Agents, and J. E. Cryan, Chicago, superintendent hail department America Fore group.

H. S. Vance, president Lexington Board of Fire Underwriters extended greetings on behalf of his organization. For entertainment, the Lexington board arranged a tour of Bluegrass farms, golf, and bridge. It gave a luncheon at Ashland Country Club.

J. J. Hackworth, first vice-president, Shelbyville, did not attend because he was honeymooning in Canada.

M. W. Hoedeker, Louisville, made his first appearance as a member of the National Association of Insurance Agents' executive committee.

The Kentucky department was well represented. In addition to Director Goodpaster, V. D. Rooks, assistant director; D. M. Wheat, actuary; D. P. Vandiver, manager fire prevention and rates, and Sherman Goodpaster, Jr., were on hand.

L. E. Driscoll, Norwich Union, Louisville, president Kentucky Fire Underwriters Association, extended the greetings of that organization.

D. R. Peel, Benton, was given the annual award of a trip to the convention of the National Association of Insurance Agents for his outstanding work among rural agents.

Bertha Van Overbeke, office secretary of the association, supervised registration arrangements in a very efficient manner.

R. W. Forshay, chairman rural agents' committee National Association of Insurance Agents, made a double header appearance, speaking on "Whose Responsibilities" and also appearing on the rural agents forum program.

Life Companies Pledge No Dictation on Fire Insurance

COLUMBUS, O.—Fifty-four life companies have informed the Ohio Association of Insurance Agents that they will not permit coercion of fire insurance on properties mortgaged to them. The companies have subscribed to this principle: "Our policy, in brief, is to require fire insurance in a satisfactory company and in an amount which will fully protect the company. We do not attempt to dictate to the borrower, the broker or agents through whom such policies should be written nor do we permit our representatives to follow this practice."

Companies subscribing to this agreement include Aetna, Alliance of Peoria, American Citizens, American United, Bankers, Berkshire, Business Men's, Canada Life, Central Life, Columbian National, Columbus Mutual, Connecticut General, Connecticut Mutual, Conservative, Continental Assurance, Equitable Society, Equitable of Iowa, Franklin, General American, Girard, Great American, Great Northern, Guardian Life, John Hancock, Kentucky Home, Lincoln National, Massachusetts Mutual, Metropolitan, Midland Mutual, Mutual Life, Mutual Trust Life, National of Vermont, New England Mu-

tual, New York Life, Northwestern Mutual, Northwestern National, Ohio National, Ohio State, Pacific Mutual, Pennsylvania Mutual, Philadelphia Life, People's Life, Provident Life & Accident, Provident Mutual, Prudential, Reliance, State Mutual, Sun Life of Canada, Travelers, Union Central, Union Mutual, Washington National.

Grand Jury Eyes Mo. Case

KANSAS CITY—Apparently disbursement of funds impounded in the Missouri fire rate case is to wait until a new federal grand jury, convening this week, determines whether there was a conspiracy to obstruct justice in connection with the rate case settlement in 1935 and 1936.

The 3-judge federal court which heard and issued the order settling the fire rate case has ordered the new grand jury to investigate the rate case settlement for possible new indictments. Judge Otis charged the new jury to determine whether, in the insurance case settlement, the federal statutes on obstruction of justice were violated. On May 20, Judge Stone, speaking for the court, ordered R. E. O'Malley, former superintendent of insurance; T. J. Pendegast, ex-political boss, and A. L. McCormack, St. Louis insurance man and "go-between" in the settlement, to be

cited for contempt, along with any others found guilty of contempt of the court in perpetrating upon it the settlement obtained by bribery.

The court has under advisement the arguments and briefs of insurance companies, who contend the impounded funds belong to them, and of the insurance department, which holds that the money should be distributed to policyholders.

A. L. McCormack has been subpoenaed by the new federal grand jury.

Sanders New Worcester Head

WORCESTER, MASS.—The Worcester protective department at its annual meeting reported fire losses here from July 1, 1939 to May 31, 1940, were over \$200,000 greater than in the corresponding period last year, with about 70 losses yet to be reported. Officers elected are: President, E. L. Sanders, Merchants & Farmers Mutual; secretary, C. C. Parker, Ingraham, Parker & McPherson; treasurer, Harry Harrison, Worcester Mutual Fire; directors, W. P. McPherson, Ingraham, Parker & McPherson; T. E. Babb Jr.; M. C. Snyder, N. A. Harrington Co.; E. P. Ingraham; H. W. Bates, Green & Bates; C. F. Porr; J. D. Coe, Reidy, Coe & Co.; F. R. A. McGlynn; I. E. Sawyer, Tatman & Park, and J. F. Carberry.

AN OPEN LETTER TO AGENTS

Gentlemen:

No one likes to be told how to run his business, yet the man who does not listen to suggestions is apt to miss something of vital importance.

Agents are busy men, and each has his own way of securing new business. Some now have all they can handle. But, the average Agent's business falls off about ten percent a year, and this rate is higher with those Agents who do not analyze the Insurance needs of their clients.

By consistent application of the Insurance Analysis idea, many new Agents are building profitable businesses at the expense of the older-established Agents. Are you going to wait until it is too late?

Our "Risk Detector" analysis is a simple, one-page form which any Agent can learn to use quickly and is serviceable for the client of average means. Won't you let us send you a sample so you can get started?

THE American Insurance Group

Newark



New Jersey

THE AMERICAN INSURANCE COMPANY

THE COLUMBIA FIRE INSURANCE COMPANY

THE JERSEY FIRE UNDERWRITERS

DIXIE FIRE INSURANCE COMPANY

BANKERS INDEMNITY INSURANCE COMPANY



VIEWED FROM NEW YORK

By GEORGE A. WATSON

NEARLY DOUBLE 1939 CONTRIBUTION

Companies, brokers, agents and employees in life, fire and casualty insurance offices this year have contributed nearly double the amount collected in the Greater New York Fund's 1939 drive, according to the report of B. M. Culver, America Fore, chairman of the insurance section.

Mr. Culver reported a total of \$148,633 as of July 12. He expressed confidence that the end of the campaign would see a total figure in excess of \$200,000.

Fire insurance groups lead the contributors with \$54,168. Casualty companies come next with \$28,636, followed by life companies with \$25,613. The remainder is from agents, brokers and employees.

INSURANCE EXECUTIVES' SETUP

Officers and trustees of the Insurance Executives Association were reelected at the annual meeting in New York. The offices of chairman and vice-chairman of the board of trustees were not filled and hence President Paul L. Haid

Culver Entertains 65 at Annual Golf Outing

The annual golf party and dinner given by Bernard M. Culver, president America Fore, was held at the Glen Ridge Country Club, Glen Ridge, N. J., and attended by 65 executives and guests.

The Ernest Sturm Trophy, which must be won three times for permanent possession, was presented to Vernon Hall, vice-president, who captured it with a net score of 77. In addition to the trophy, prizes were awarded to E. B. Kalbacher, cashier, who had a net of 78 and to A. A. Nelson, secretary, with a net of 79. F. F. Stukhart, last year trophy winner, received a silver cup to commemorate the achievement. The awards were made by President Culver during the course of the dinner at the club house when he also introduced several present who made short speeches.

The surprise of the evening came when a large, beautiful birthday cake suddenly appeared and was placed on the table before Mr. Culver. No one was more astonished than the recipient himself and it later developed that Paul L. Haid, president of the Insurance Executives Association, had known about the date and was responsible for the remembrance.

F. A. Christensen, vice-president, in an informal talk, expressed the appreciation of all present to Mr. Culver for a most enjoyable day. Tournament arrangements were ably handled by W. F. Dooley, vice-president.

becomes the sole directing head of the organization between meetings of the trustees. R. M. Bissell, president of Hartford Fire, who was chairman of the board, and Wilfred Kurth, chairman of Home, who was vice-chairman of the board, declined reelection to those positions although they continue as trustees. The nominating committee submitted no other selections for those positions.

The trustees whose terms expired and who were reelected are: F. D. Layton, president of National Fire; R. R. Martin, U. S. manager of Atlas; W. R. McCain, president of Aetna Fire; W. H. Koop, president of Great American, and George C. Long, Jr., president Phoenix of Hartford.

LEVISON, SARGEANT HONORED

J. B. Levison, chairman of Fireman's Fund, and F. W. Sargeant, chairman of New Hampshire Fire, have been elected honorary members of the executive committee of the National Board.

CHICAGO

WANTS ADVISERS LICENSED

A recommendation that legislation be passed for the licensing of so-called insurance advisers or counsellors in Illinois is contained in a bulletin of the Chicago Better Business Bureau. The bureau reports that it has received many inquiries concerning those engaged in this type of activity. The bureau advocates the type of law that is found in Massachusetts.

DISTAFF MEETING POSTPONED

The June meeting of the Distaff Executives Association of Chicago has been postponed until June 20. The same program with H. A. Clark, president Western Insurance Bureau and western manager Firemen's group, will be in order.

IMPORTANT AGENCY EXPANDS

The offices of the Chicago agency of Stewart, Keator, Kessberger & Lederer in the Insurance Exchange building are being remodeled and 70 percent additional space is being taken. The agency has now signed a lease to remain in the Insurance Exchange. Its quarters have been cramped for some time but it has deferred improving its situation until definite decision was made as to its future location.

HOME GROUP HOLDS OUTING

The Cook county, service and farm departments of the Home of New York group in Chicago held an all day golf outing at Medinah Country Club this week. The affair was sponsored by the Country & Town Club, composed of

Home employees. J. F. Feeney, manager Home Indemnity, Chicago, was master of ceremonies. J. N. Kiernan of the farm department is club president. E. O. Kordewick of the service department, vice-president; Gertrude E. Dose, secretary, and J. M. Hoffman, auditor, is treasurer. Many prizes were awarded at the dinner.

DUNLEVY VISITS WESTERN BRANCH

D. J. Dunlevy, assistant secretary in charge of underwriting, Pacific National Fire, is working at the western office in Chicago for six weeks. He is making a complete tour of branch offices in the next few months.

John T. McWhorter, Fred S. James & Co. brokerage department, Chicago, received the highest grade in the fire insurance course conducted by the Insurance Institute of America in Chicago.

Mr. McWhorter attended part 1 of the fire course.

Frank M. Polhamius, Chicago, broker, is very ill at his home with appendicitis. He has been a broker for the last five years, and before that was with Moore, Case, Lyman & Hubbard and New England Factory Mutuals.

R. H. Erickson, general agent for a number of reinsurance companies in Chicago, has returned from a three weeks motor trip with Mrs. Erickson to Texas. They had a week on a dude ranch near San Antonio.

Two Commissioners Md. Guests

Commissioners Harrington of Massachusetts and Gontrum of Maryland will be honored guests at the banquet in connection with the convention of the Maryland Association of Insurance Agents June 28 at Ocean City.

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Seventy Years of Service and Progress. Financial strength—An enviable underwriting record—Modern methods and a reputation for dependability and square dealing among those who buy and sell insurance.

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FIRE INSURANCE CO.
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FIRE INSURANCE CO.
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COVERAGE WILL GIVE YOU A QUICK, ACCURATE PICTURE OF THE IMPORTANT RAIN FORMS. COPIES WILL BE SENT TO AGENTS UPON REQUEST.

British Pool Raises Its Rates

Confirms Feeling of American Underwriters as to German Threat to Shipping

NEW YORK—News that the British government war risk pool, which has made no increases since Sept. 4, has boosted its rates drastically confirms the feeling of American marine underwriters that German warfare against shipping will shortly reach an intensity far beyond what the present war has yet witnessed. It is virtually certain that American rates must rise substantially, the only question being how much.

British government rates, formerly 1½ percent to and from United States and Canadian Atlantic ports, are now 2½ percent; to and from British West Indies, British Guiana, and Central American Atlantic ports, formerly 2 percent, now 3 percent; South American ports, formerly 2½ percent, now 4 percent; Canadian, U. S. and Central American Pacific ports, formerly 2 percent, now 3 percent. Other rates are raised proportionately.

British government rates are still lower than rates obtainable from other underwriters here or abroad, since the government must keep imports coming into England. Fear of a successful invasion of England is reported to be making some insured outside of England fearful of taking coverage in the British government pool. Because of the United States' cash-and-carry law this has not been a problem on exports, for they were already owned in England before being shipped. The fate of the French pool is still in doubt.

Rates from the United States to the British west coast have been set at 7½

percent in the American market, rates to the British east coast being quoted only on application. Very few shipments are going to the east coast. Even the highest rates so far quoted do not approach some of the levels reached in the first world war. At one time the rate to the Mediterranean was 52½ percent.

One theory among marine underwriters is that there will be no blitzkrieg in England as there was in France but that the Germans will concentrate on starving England to her knees, as was almost done in 1918. With the entire Dutch, Belgian and French coastline at her disposal Germany could send out submarines and surface raiders in such profusion that it might be impossible for the British navy to cope with them successfully. At the same time the navy would be so busy trying to protect its commerce that it would be unable to enforce an effective blockade against Germany, a blockade that would be vastly more difficult to enforce because of all the additional ports now under German control.

Killeen, Leach Change Jobs

Thos. E. Killeen, Jr., of St. Louis, formerly assistant general manager, and George C. Leach, out state sales manager of the Missouri Auto Club Inter-Insurance Exchange, are now associated with the St. Louis branch of Millers Mutual Fire of Illinois.

Funeral services were held Wednesday for Bruno Z. Novak, 40, special agent for Home who died suddenly at his home in St. Louis. He was born in Chicago, had resided in St. Louis for 10 years, and had been with Home 16 years.

R. H. Loveland, special agent for General of Seattle at Columbus, O., was married to Miss Hope Chase of Viraqua, Wis.

The Texas National of Galveston has withdrawn from California.

Veteran Insurance Editor Is Now Retiring



ARCHIBALD G. HALL

At one time he also owned the "Insurance Herald" of Atlanta.

Mr. Hall has always advocated the interest of the insurance brokers. He was presented a few years ago with a gold medal of the General Brokers Association of Metropolitan District, Inc., which goes to the person adjudged to have performed the greatest service for the brokerage profession.

COMPANIES

C. F. Scholl Is Retiring After 51 Years Service

C. F. Scholl is retiring as assistant secretary and agency superintendent of London & Lancashire after service with the company of more than 51 years. During the past 37 years Mr. Scholl has been an officer of the company and most of that time has been southern department manager. He has been successful in his field and has trained a number of men who have become influential in London & Lancashire and other companies. He is being tendered a dinner July 1 by the officers of his company.

Excelsior Reports Gains

SYRACUSE, N. Y.—At a meeting of directors of the Excelsior of Syracuse President R. C. Hosmer reported good progress, with gains in assets, unearned premium reserve, surplus, net earnings and policyholders' surplus. Premiums from agents for the five months were about 7 percent ahead of last year. Many agents were in attendance. A dividend of 15 cents per share, payable June 28 to stockholders of record June 20, was declared.

Buffalo is paying a dividend of \$3 per share June 27 to stock of record June 22.

FIRE and ALLIED LINES



NEW YORK 90 JOHN ST. LOS ANGELES 215 W. 7th ST. SAN FRANCISCO 114 SANSOME ST.

MARINE

President Gets War Cover Bill

The day after the House passed the Bland bill providing for federal marine war risk insurance in an emergency, the Senate took favorable action. President Roosevelt had sent a letter to Vice-President Garner, urging the Senate to expedite action upon the bill.

The Senate passed the measure in virtually the same form as that which was approved by the House. The principal change made by the Senate was the inclusion of a provision providing that the law shall expire March 10, 1942, or earlier if the President determines that it is no longer necessary.

Senator Clark of Missouri entered a protest against the bill on the theory that it was another step toward involving the United States in war.

Senator Overton of Louisiana contended that the bill makes no change in the neutrality act and is designed merely to insure that American flag vessels engaged in foreign trade can continue their operations without fear that marine insurance rates will reach prohibitive heights.

"I emphasize the need for prompt enactment of this legislation," the President wrote, "because the need therefor may become acute at any time, particularly in the cases of certain American vessels of such high value that the American insurance market is inadequate to cover the risks involved."

The bill passed the House Friday, with an amendment that in the event of the suspension of the neutrality act no vessels carrying contraband cargo shall be insured by the government.

Auto Homes Not Marine Risks

The joint committee on interpretation and complaint has issued a ruling that automobile homes, railway station and dock trucks, trailers and semi-trailers except when hauled by tractors not designed for highway use, snow plows constructed exclusively for such use and tractors except those not designed for highway use may not be insured under marine forms. This ruling, according to the committee, does not apply to special automotive equipment and not designed for highway use but for operations at points where work is being performed, nor automobiles, whether being driven or carried, by motor vehicle carriers operating under rules and regulations prescribed by the Interstate Commerce Commission or state commissions.

Fine Imposed in Wisconsin

The Wisconsin department, it is understood, has imposed a fine of \$500, on a company that recently wrote the highway equipment of Winnebago county under a marine policy, for alleged failure to observe the terms of the Wisconsin rating bureau. The department, it is understood, has directed that the policy be canceled. The risk was written at a rate of 75 cents as compared with the bureau rate of about 94 cents.

MOTOR

"Basket" Policy Is Up Again

NEW YORK—The National Automobile Underwriters Association is holding another meeting in New York Friday of this week on the automobile finance issue. A proposal will be voted upon to authorize issuance of a so-called

"basket" policy at 25 percent less than existing rates for finance business only. There would be paid 15 percent commission to the agent or 10 percent commission to the broker. At a meeting just the other day the association voted against the "basket" policy on those terms, to be available either to finance risks or to unencumbered cars. The "basket" would consist of collision and comprehensive coverage.

The idea of providing insurance on a net cost basis for finance business persists and is being strongly advocated by a few of the influential groups. Observers feel that the action on the proposal Friday is very likely to be negative.

Banker Favors Master Policy in Finance Setup

During the panel discussion on loan research during the recent meeting of the New York State Bankers Association at Syracuse, some interesting observations were made on the matter of automobile financing by banks.

The only discussant who mentioned the insurance feature particularly was Merle Fairbanks, assistant treasurer of the Steuben Trust Company of Hornell.

Mr. Fairbanks said that he is emphatically in favor of the bank writing all

the coverage on the cars which it finances under a master policy. "As policies are written for the entire duration of the loan," he said, "it saves a tickler file and a check to see if additional premiums are paid. Our policy provides that when a customer signs one of our notes with the dealer he is insured. He can drive his car away on Saturday or Sunday, and be completely covered. This also protects the dealer. The customer in 99 percent of the cases, doesn't care because he has been buying cars for years through a finance company and has never had local insurance service. Claims are settled promptly and with no effort on the part of the bank. Some bankers contend that if individual agents are allowed to write the coverage they will bring or send business to the bank. I doubt it. Most deals are made by the car salesman and the insurance agent knows nothing about them until it is all over. Our policy also covers cars on floor plans and we find that, with an average turnover, a \$1 charge for unit allows us to break even."

Fullerton Auto Manager

T. H. Fullerton has been appointed superintendent of the automobile department in the Chicago metropolitan office

of Pearl. He takes the place left vacant by the resignation of M. C. Patton. Mr. Fullerton has been assistant superintendent of the department for about five years. Previously he was with Fred S. James & Co. in Chicago.

New Haven Agencies Unite

Three agencies at New Haven, Conn., have perfected plans to consolidate their operations. They are: Coan & Bunnell, Belcher & Miller and Philip Hugo's Sons, Inc. Each agency will maintain its individual identity but the entire facilities will be placed under one management. The chairman will be George R. Coan; president and treasurer, C. E. Miller; vice-president, Randolph Belcher, and secretary, L. P. Kirkham. The consolidated firm will be located in the present quarters of Coan & Bunnell at 149 Court street.

W. C. Coulbourn, former Richmond, Va., attorney specializing in insurance law, is now operating a local agency at Mathews, Va. One of the companies in his office is the National of Hartford, of which his brother, D. L. Coulbourn, is Virginia state agent.

The Fairfax Insurance Agency **Fairfax, Okin.**, owned by W. C. Hunt, has been sold to Frank Quarles.

ELEMENTARY MY DEAR WATSON

...but rather unusual



Finding prospects for sales is a matter of simple deduction. First we advertise nationally—reaching 2,000,000 persons each month. This advertising brings in thousands of inquiries—which are passed along to our agents. Our agents develop these inquiries into likely prospects with the help of our coordinated direct mail material. And finally these prospects are sold policies by sales methods suggested in our monthly house organ *The Employers' Pioneer*.

Can You Solve This Mystery

How to get more business is a mystery that every agent wants to solve. Yet if you read our magazine "The Employers' Pioneer" you'll find articles loaded with valuable clues. Get a free copy now. Simply write to the Publicity Department.

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THE EMPLOYERS' FIRE INSURANCE CO.—AMERICAN EMPLOYERS' INSURANCE CO.

Chairman Reports to New England Men

(CONTINUED FROM PAGE 5)

sured be made to understand that both companies and agents are consciously and consistently striving to give maximum value for every dollar of premium received. Much of the selling job, Mr. Conick said, must be done by agents, because they are the ones who are in direct contact with the public.

An important charge against the insurance business is that it has failed to do the right kind of a selling job to the public, not only as to coverages, but as to the way the fire insurance business is tied to the public welfare of the United States. Mr. Conick reviewed the record of fire insurance, pointing out the Chicago fire of 1871, the Boston fire of 1872, the Baltimore fire of 1904 and the San Francisco earthquake and fire of 1906. He also told of the services of the National Board and of Underwriters Laboratories, and said that the public should be told about these services.

Young Blood Needed

There are three essential qualifications of a successful agent, Mr. Conick continued. He virtually lives and breathes insurance, he engages in hard work and he points toward rendering service to perfection in the application of insurance to the needs of the assured.

Mr. Conick closed with a recommendation that established agents should take qualified young men into their offices, even though they are not immediately needed, with a view to preparing new blood for key positions of the future, just as many insurance companies do.

Advisory Educational Work

The New England Advisory Board does not intend to conduct educational courses itself, but to act in an advisory capacity and make recommendations to the various state associations, C. I. Fisher, Providence, chairman educational committee, reported. He said that the problems of the six states vary greatly, since Rhode Island can give a course in a single city which will serve the entire state, which the other states cannot. The proportion of rural agents and the availability of qualified lecturers vary and the Massachusetts and New Hampshire automobile situations require treatment different than in other states.

By way of specific recommendations, Mr. Fisher said that most programs have slighted rural agents and this should be remedied. A planned, coordinated curriculum, setting up minimum standards and avoiding duplication in lectures, is badly needed, as is development of a program specifically directed to agents and not toward general insurance education. Experience has indicated that it is worth while to pay the teachers and each lecturer should be given a complete outline of what the association wants him to cover. Efforts should be pointed toward using more agents as teachers. So far most instruction has been given by company men, professional teachers being good in covering the fundamentals, but lacking the experience to cover detailed and specific lines.

Education Before Laws

Mr. Fisher recommended that every association point toward an agency qualification law which will require an applicant to know far more about the insurance business than is now necessary to pass the examination in practically any state. However, before agents can ask for these laws they must in justice establish facilities to enable any sincere applicant to study the business.

So far, New Hampshire and Rhode Island have engaged in educational work, Mr. Fisher reported. The former state had a trial series of eight lectures at Nashua and Rhode Island had 12 lectures at Providence, both courses be-

ing well attended. Massachusetts is planning an extension course, with classes to be held in five key cities, while Vermont is planning a short course school at one of the state colleges. New Hampshire has conducted a survey of the wishes of its membership on educational work and probably the most ambitious program in New England will be undertaken as a result of this. Either a series of lectures or a round table conference appears to be more popular than the short course school in New Hampshire. Maine is planning regional educational meetings during the winter, the fire insurance field to be covered first. Connecticut, with the Insurance Institute courses at Hartford, the Hartford College of Insurance and the home office schools of several companies as existing educational facilities, will watch developments in other states before drawing up a program. Rhode Island is planning to hold extensive classes at the Rhode Island State College of Education in Providence.

Sidney Smith's Talk

Sidney O. Smith, Gainesville, Ga., president National Association of Insurance Agents, called upon every one in every phase of the insurance business to rally to a support of national needs in a time of crisis. He said that in these times indemnity for disabling of fatal accidents, destroyed power and mechanical breakdowns is essential, but it cannot compensate for the precious loss of time and hence the obligation to prevent losses is stronger upon the insurance business than ever before. The thousands of local agents throughout the country, he said, should constitute themselves a corps of civilian sentinels in safeguarding life and property, since they are peculiarly adapted for the detection of threatened sabotage and ingenious propaganda.

Travelers Draws on 4-Leaf Clover Farm for "Ad" Novelty

A farm devoted to raising four-leaf clovers by the thousands has been put to work by Travelers in a novel advertising stunt. Genuine four-leaf clovers hermetically sealed in transparent plastic cards represent the latest novelty available to representatives of Travelers. The natural green color and distinctive shape of the "lucky" clovers has been permanently preserved so that agents may give them to their automobile policyholders.

The pocket-size card carries this comment on one side, "For Luck—a four-leaf clover; for Protection—an automobile policy in the Travelers. A policy is more than a good luck piece because insurance will get you out of many difficulties when you have an accident." On the other side of the card is a description of the source of the four-leaf clovers. C. T. Daniels, a telephone engineer and plant breeder, has been successful in raising clover plants from which he harvests a sizable crop of

WANTED:
Experienced fieldman for Oklahoma and Missouri by reputable W.U.A. Company writing fire and allied and inland marine lines. All replies treated confidential. Address L-78, THE NATIONAL UNDERWRITER, 175 W. Jackson Blvd., Chicago, Illinois.

FOR SALE

General Agency with \$35,000 annual premium income in Central City of 10,000.
ADDRESS L-77, NATIONAL UNDERWRITER
175 W. Jackson Blvd., Chicago, Ill.

WANTED
Old Line Mutual Fire Insurance Company wants Special Agent to appoint agents in Kansas and Nebraska. Must be college graduate under 35 years of age. Traveled territory or local agent for at least five years. Send photograph and application letter to Box L-80, The National Underwriter, 175 W. Jackson Blvd., Chicago.

"four-leafers" that grow on his "good luck" farm in the Panama Canal Zone.

After successfully growing four-leaf clover plants, the problem arose of preserving the green color, while drying and pressing the leaves. This necessitated the building of special evaporators and presses. Native girls handle special presses and pack the good luck stems between sheets of chemically treated paper before they are shipped to the United States.

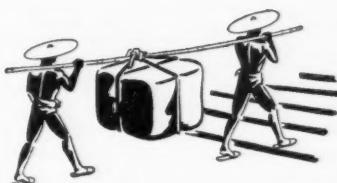
Board Companies' Employees Form New Organization

A new organization for young employees of the Pacific Board fire company offices to be known as the San Francisco Underwriters Association has been launched. It will meet the last Thursday each month and will hear guest speakers on underwriting subjects. Membership is limited to those between ages 20-30, and the purpose is purely educational.

First officers elected are President, Milton Bigham, National of Hartford; secretary, Jack Raymond, National of Hartford. Sam McKee, Jr., London Assurance, is publicity chairman; Frank Shea, America Fore group, public relations chairman; Charles Haycock, Finn-Elbow & Medcraft, program chairman; Paul Smith, St. Paul Fire & Marine, constitution committee chairman, and Richard Finn, Crum & Forster, membership chairman.



"That's why I represent Pacific National"



IN TANDJONG PRIOK IT'S... "GO-DOWN"

"GO-DOWN." You hear the word in Tjillatjap on Java's southern coast, in the Straits of Bali, and throughout the Orient. For in the Far East they keep goods and foodstuffs in warehouses called "go-downs."

Travelers of four centuries ago described these warehouses thus—"The merchants have all one house or magason which they call 'godon'." Some authorities attribute this Anglo-Indian term to the fact that in early times these storerooms were frequently underground.

Today in the go-downs of the world, American insurance is at work providing our foreign trade with stability and indemnity against loss. The AIU, one of the pioneers in this field, has planted the flag of American insurance in scores of countries, bringing the properties and products of our nationals abroad under the protection of our own insurance companies.

Brokers and Agents: In unsettled times such as these there are more than usual advantages to your clients in using AIU world-wide services.

AMERICAN
INTERNATIONAL
UNDERWRITERS
CORPORATION



111 John St., New York 340 Pine St., San Francisco

"A Company that forges ahead so consistently is the best 'insurance' an Agent can have for his own success. Pacific National's impressive record of growth and expansion decided me!"

Although progressive in outlook, Pacific National is conservatively managed . . . one of America's soundest companies.

• Offering nationwide facilities and service that are the last word in Agency cooperation, Pacific National is constantly alert to Agents' needs, alive to new-business opportunities.

Inquiries from established Agents are invited.

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Western Dept., Chicago
Southern California Dept., Los Angeles

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Atlanta, Boston, Cleveland, Dallas, Denver, Detroit, Fresno, Indianapolis, Kansas City, Newark, Pittsburgh, Portland, Sacramento, Seattle.

EDITORIAL COMMENT

Learning What the People Want

ERNEST O. HOUSER, author of "Shanghai City for Sale," in a recent issue of the "Living Age," contributed an article on the Japanese from a salesmanship standpoint that could be read with benefit by all interested in the marketing of any product or service. As the author points out, the real threat in Japan's expansion is the ability of their people to sell their goods.

Mr. Houser points out that the customer is never asked to buy what the Japanese manufacturer or merchant thinks he should have. On the contrary the Japanese tries to offer just the kind of commodity the customer needs and likes.

The Japanese make a very discriminating study of the people to whom they are appealing in their sales. They wish above all things to analyze what the people especially desire and demand. They aim to produce what the customer

suggests. We may have considered the Japanese as largely imitative. Mr. Houser denies this and declares they have been remarkably clever at invention. Their main faculty, however, is their ability to interpret the public mind and to comply with the needs of the times. Their great question is, "What do the people want?"

Insurance as well as other lines of activity could well take a lesson from the Japanese people. There are unexplored markets for insurance. The public demand in all instances is not met. Sometimes we are too inclined to manufacture goods, so to speak, and offer our wares to the public without knowing whether they are just what the people demand. There is much in merchandising to be able to analyze people's needs, demands and desires. The matter of cost must be worked out by the actuaries.

Listening to the Younger Men

THE other day in Los Angeles there was a very unique gathering of life insurance men, they being managers and general agents of their companies in that city. It was a function sponsored by the Life Insurance Managers Association but the managers themselves sat on the receiving end and did the listening. They allowed the sons of managers to do the talking and recommending.

The sons expressed their views very freely with their fathers present. They did not hesitate to reflect on some of the practices that were permitted to continue. They pointed out where improvement could be made. There were some very excellent observations coming from this younger generation.

Sometime those in older years with much experience are prone to regard their opinions and conclusions as correct and so they may have been as applied to operations of the past. We disregard sometimes the younger men who have a right to be heard. These are

changing times and customs are altered. There is a new viewpoint, an entirely new vision. We do not want to scrap entirely all the fundamental virtues on which our civilization was built, because they are just as important as ever. However, in the application of these virtues to business life, we must not lose sight of the newer outlook and the different viewpoint.

We urgently need those of the older generation because of their conservatism, splendid experience, acquired knowledge and historical background. We need the younger men, the sons, to furnish us what might be called the "drive." Their enthusiasm, their ambition can be put to good use. They are of real benefit in interpreting the spirit of the modern times to the older men. It would be an excellent procedure for other organizations in all classes of insurance once in a while to have the older men as listeners and the younger men as teachers.

Knowledge Is Never Complete

THE constant demand for simplification of insurance forms, both fire and casualty, is undoubtedly getting results. An excellent example can be found in the recent changes in public liability rules and forms, which reduce the number of policies required for many risks, eliminate many loopholes which required special endorsements, and in general di-

vide the field of public liability insurance into its different phases clearly and equitably. These changes certainly may be referred to as simplification in the best sense of the word.

However, any insurance man who may believe that this and other simplifications will diminish his need for serious study of the business is making a seri-

ous mistake. The mere fact that one policy may be substituted in some cases for half a dozen policies, plus as many endorsements, does not mean that it will take any less intelligence or observation to cover a client properly. The only work saved will be mechanical. After all, the possible liability of a person or corporation can never be more simple than the business in which it is engaged and the activities it undertakes—and every sign indicates that business and laws are getting more complex instead of less. The same is true of practically any other risk which is a proper subject of insurance. Even a simplified form cannot be used properly for a complex risk until the risk itself and the form and all possible alternatives have been mastered completely. And, as always, there will be no royal road to that happy state.

Further, the very fact that the forms are new will require careful study. Already progressive agents and underwriters are discussing problems in the application of forms to various risks and this trend is just beginning. We pre-

dict that soon there will be a flood of inquiries as the new forms are applied to an increasing number of assured. On the other hand, an agent who does not or cannot master the forms and apply them properly wherever indicated will lay himself open to serious loss of business when another agent or broker reaches his clients.

It is axiomatic that a person who has a reasonable mastery of an established change in a cumbersome system cannot expect automatically to learn a new system, even though much more simplified, without work. Some years ago, after years of urging, the legislature of a prominent state finally supplanted the old complicated system of common law pleading with a vastly simplified code of court procedure. The new code was admittedly a great improvement, yet during the next few years the appeal courts of that state were flooded with cases involving procedural points. The same applies to any change in any business and no one need worry that there will cease to be a premium on brains and study in the business of insurance.

PERSONAL SIDE OF THE BUSINESS

V. H. Butler, president of the Peter & Butler agency, Louisville, was taken to a Frankfort, Ky., hospital as result of a heart attack suffered while landing an eight-pound fish on a Kentucky river trip.

The name of the late Robert Dickson, who in his day was prominent as United States manager of the Royal Exchange, is perpetuated by a well known Baltimore agency. **Robert Dickson Tweeddale**, a stepson of Mr. Dickson, is head of the Tweeddale Company. Two of Mr. Tweeddale's daughters are associated with the agency, Elaine Scott Tweeddale and Rosemary Dickson Tweeddale.

J. J. Wertheimer of Wertheimer & Wertheimer of St. Louis celebrated his 25th anniversary with the Travelers this month. His 88th birthday anniversary was celebrated on June 12. The occasion was happily remembered by many in his organization. Vice-president H. H. Armstrong of the Travelers sent a congratulatory message by wire.

H. S. Searle, Topeka, state agent of Crum & Forster, was one of four officers of the Kansas National Guard ordered to report to Fort Crook, Neb., to participate in field training. He is a lieutenant-colonel.

J. Edwin Larson, the Democratic nominee for state treasurer of Florida, the state officer who has charge of the insurance department, served as United States collector of internal revenue for Florida for six years. He has been a member of the state legislature and has been actively identified with the Democratic party since moving to Florida in 1924. The insurance people generally in Florida are pleased over his nomination. He was supported by a large part of the insurance people. He will suc-

ceed W. V. Knott, who is retiring after many years of service.

Mr. Larson at one time was principal of the school of Green Cove, Fla. He will take office in January.

George W. Blossom, Jr., president of Fred S. James & Co. of Chicago, and Mrs. Blossom, at a tea the other day in Lake Forest, Ill., announced the engagement of their two daughters. Louise Blossom, the elder daughter, is engaged to Ensign J. D. Reilly, who is stationed aboard the U. S. S. Chester at San Francisco. The younger daughter, Barbara Blossom, is engaged to G. G. Wells, who is attending Bard College, a branch of Columbia University.

H. W. Puschel, elected most loyal gander of the New York City Blue Goose, is a graduate of the Armour Institute and after war service in the navy became special risks engineer and supervisor of the North British. In 1924 he went to New Jersey as special agent of the Atlas and later was appointed state agent of the Southern Fire, subsequently taken over by the Home. He has been New Jersey state agent of the Home fleet for several years.

Clifford Conly, Pacific Coast manager of the Great American and Phoenix of Hartford, received 43 red roses at a luncheon in San Francisco. Each rose represented one year of service since Mr. Conly entered the employ of the Great American June 18, 1897, as an office boy. Hosts at the surprise affair were the office staff and associates of Mr. Conly in the companies' Pacific Coast headquarters. Numerous wires, letters and other messages of congratulation and felicitation were received.

Bernard A. Grob, vice-president Central of Baltimore, has completed 35 years of service with the company. Commem-

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orating this event he was tendered a dinner at which were present the other home office officials of the company and about 40 employees. A silver pitcher appropriately engraved was presented to him at the dinner, and tribute was paid to both his personal and professional qualities. It is interesting to note that this event occurs the same year that the company is celebrating its 75th anniversary, so that Mr. Grob has been with the company during almost half of its existence. He has seen the company grow in strength, facilities, and territory covered, and has shared the responsibility of its expansion.

D. L. Coulbourn, Virginia state agent of the National Fire of Hartford, was taken ill in his office in Richmond last week. He was rushed to a hospital in an ambulance in a semi-conscious condition. The doctors were of the opinion that he had suffered an attack of acute indigestion which affected his heart. He is now recuperating at his home.

Ivan H. Anton, secretary-treasurer of the Des Moines Association of Insurance Agents, is the father of a baby daughter.

Chester E. Ford, Des Moines local agent, is observing his 60th birthday and 40 years in the insurance business June 27. He extended invitations to more than 160 associates, company men and friends to help celebrate the occasion.

DEATHS

H. A. Beaver of Beaver & Dahlquist, Cadillac, Mich., well known local agent, died at the age of 75. He had been in the insurance business at Cadillac for 47 years. S. E. Dahlquist becomes head of the agency. Mr. Beaver's son, Charles R. Beaver, is Michigan state agent of the Detroit F. & M.

Bernard A. Sleyter, 78, Albuquerque, N. M., active in insurance circles for many years until his retirement 10 years ago, died there. He operated for many years the agency now owned by Thornton Seligman, president of the New Mexico Association of Insurance Agents.

W. R. Ellis, 61, head of the Dallas local agency bearing his name, died there after a long illness. One of the charter members of the Dallas Insurance Agents Association, Mr. Ellis had been in the insurance business since he started as an office boy with Trezevant & Cochran. With W. L. Williams, Mr. Ellis bought the old pioneer insurance firm of Thomas Brothers. On the death of Mr. Williams, Mr. Ellis became sole owner. He was a 33d degree Mason, past potente of the Hella Shrine and had served 16 years as Imperial Council representative.

John S. Fisher, chairman of the board of the National Union, died after a lingering illness at his home in Pittsburgh. Mr. Fisher, a former governor of Pennsylvania, was well and favorably known throughout the United States and devoted many years of his life to public affairs. He became chairman of the board in 1931 following his retirement as governor and took an active daily interest in National Union affairs. Funeral services were held in Pittsburgh Wednesday evening. Burial will be at Indiana, Pa., Friday.

Rex Felton, 42, member of the Garrett & Felton agency, Tiffin, O., died there.

Herbert A. Wiley, 63, general adjuster for some years for the Manufacturers Associated Mutuals, and for four years manager in China for the American Foreign Insurance Association, died at his home in Belmont, Mass., following an operation. Born in Hartford, Mr. Wiley began his insurance career in the office of the United States branch of the Scottish Union & National. He was later special agent of the National of Hartford, Royal Exchange, County of Philadelphia, and for ten years, when he went to China in 1921, was with the Royal. He was a member of the New England

Officers of National Women's Group



Officers of National Association of Insurance Women elected at the first annual meeting in Denver (left to right)—Ethel Brink, Tulsa, recording secretary; Bertha Rachofsky, Denver, corresponding secretary; Elsie B. Mayer, Denver, president; Berneeda Faulk, Wichita, treasurer; Anita Richardson, Tacoma, second vice-president; Jean Smith, Los Angeles, first vice-president.

Insurance Exchange and active on its committees for many years.

U. S. Crop Cover Plan Altered

Winter wheat producers that desire to insure their 1941 crops under the federal program must make application and pay the premium before the crop is seeded or by Aug. 31, whichever is earlier. Those dates are from two weeks to a month earlier than were in effect for the 1940 program. The closing date for spring wheat applications remains Feb. 28. In other respects the procedure is unchanged.

In 1939, the first year of the crop insurance program, 166,000 growers insured and 35,000 suffered losses collecting nearly 10,000,000 bushels of wheat in indemnity. In 1940, 378,000 insurance contracts were written. No estimate as yet has been made as to claims paid on that crop.

CONVENTION DATES

June 27-29—Maryland Agents, Ocean City.
June 28-29—North and South Dakota Field Meeting, Blake Hotel, Alexandria, Minn.
July 8-9—West Virginia Agents, Greenbrier Hotel, White Sulphur Springs.
July 9-10—Annual outing, Ohio field men, Breakers Hotel, Cedar Point, O.

sponding secretary; Elsie B. Mayer, Denver, president; Berneeda Faulk, Wichita, treasurer; Anita Richardson, Tacoma, second vice-president; Jean Smith, Los Angeles, first vice-president.

O'Toole Reviews Insurance Problems of Hospitals

ST. LOUIS—John J. O'Toole, president Insurance Board of St. Louis, discussed "Hospitals and Their Insurance Problems" before the annual meeting of the National Catholic Hospital Association.

His talk was purely informative and he carefully avoided controversial points. Matters he touched on included coinsurance clauses, property appraisals, whether the form attached to the hospital policies also covers altars, pews, railings, etc., in chapels under the building items, and if part or all of a building is not fireproof whether the insured has an "operation of building laws clause" attached.

He also went into supplemental or extended coverage, workmen's compensation, general liability, malpractice, products liability, elevator liability, boiler and automobile insurance and charity plea endorsement.

He advised the delegates to confer with their own agents on their particular problems, saying that the average insurance agent is always willing to be of service to his clients and endeavor to obtain adequate insurance protection at the lowest possible cost.



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The NATIONAL UNDERWRITER

June 27, 1940

CASUALTY AND SURETY SECTION

Page Seventeen

C. W. Hobbs Reports to Commissioners on Compensation

Predicts New Experience Rating Plan Will Become Operative Later in '40

HARTFORD—C. W. Hobbs submitted in printed form his customary report as special representative of the National Association of Insurance Commissioners on the National Council on Compensation Insurance, to the annual meeting of the commissioners here.

Mr. Hobbs said that some of the commissioners have expressed a fear that rate reductions that have gone into effect in the past year or so may be too drastic. In one state, he said, the recommended decrease was not allowed and a more moderate one was substituted by the supervising authorities. He observed that there is a certain humor in the situation of having difficulty in convincing supervising authorities that a decrease in rates is necessary.

Experience Rating Plan

Mr. Hobbs discussed the proposed change in the experience rating plan. The National Council has filed the amended plan in 20 states for which it makes rates and with eight independent bureaus. So far 13 departments have signified their approval. No disapprovals have been received. The intention is to put the plan into effect when approval has been obtained from two-thirds of the states to which it is submitted. He predicted that the plan will be put into effect the latter part of the year.

Under the present plan experience rating is available to a risk that developed during the last two years of the experience period an average annual premium of \$500. The new plan has three eligibility limits, \$300, \$400 and \$500, and the states are assigned limits in accordance with the distribution of losses by size. In the following states there is to be a limit of \$300: Alabama, Georgia, New Hampshire, South Carolina, South Dakota, Tennessee, Utah, Vermont and Virginia. In these states the limit is to be \$400: District of Columbia, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Missouri and North Carolina. In these states there is to be a \$500 limit: Colorado, Idaho, Kansas, Michigan, Minnesota, Montana, New Mexico, New York, Oklahoma and Wisconsin. The experience period under the present plan is five years. The new plan uses the three-year period and eliminates the system of weighting that was included in the five-year plan.

There is a modification in the system of treating actual losses.

Generally, according to Mr. Hobbs, the effect of the new plan is to give accident frequency somewhat more effect

(CONTINUED ON PAGE 26)

Cut Long Haul and School Bus Rates

Set Up New Low Rated Class, Broaden Garage, Non-Ownership Rules

NEW YORK—The National Bureau of Casualty & Surety Underwriters has reduced rates on long haul trucks and school buses, effective Monday of this week in most states. Long haul zone rate reductions run from 15 percent to 25 percent, and a new intermediate classification of trucks operated between 50 and 100 miles has been set up, which means further reductions on trucks in this class.

Formerly, the lowest rated long haul classification took in trucks operated between 50 and 150 miles. Trucks in this class took the average rate for the two highest rated zones in which they were operated, less 25 percent. Under the new rate setup, trucks in the 100-150 mile class take this rate, while those in the 50-100 mile bracket take class 3 rates plus 10 percent. Rating rules for the other long haul classes are unchanged, but lower zone rates apply.

Number of Zones Reduced

The number of zones has been reduced from nine to eight and every zone rate reduced. In most cases, approximately the same percentage of reduction applies to bodily injury liability and property damage liability insurance.

New school bus rates are shown in temporary pages in the public automobile section of the manual, instead of reprinting the state rate pages at this time. New rate pages have been issued for Minnesota and Washington and the automobile classification section has been reprinted.

A third class of automobile has been added to the private passenger group. This is a motor vehicle with a pickup body or a delivery sedan with a load capacity of 1,000 pounds or less, used to transport tools or materials or to carry samples, but not used for wholesale or retail delivery.

The garage liability rules have been changed to permit drive other cars coverage to be given without additional charge to individual proprietors and their spouses. This is the same coverage given under the standard automobile liability policy. Executive officers and partners of garages may now purchase this form at the same charge as under the standard liability policy. The additional charge for including executive officers under the non-ownership liability policy has been eliminated.

Two Travelers Conventions

Conventions of agents announced in connection with the observance of the 75th anniversary of the Travelers were held at the Chateau Frontenac, Quebec. Approximately 800 agents qualified during the year ending Jan. 31, 1940. This made it necessary to hold two sessions, one on June 19-21, and the other on June 24-26.

Panel discussions by agents themselves featured the program, although there were talks by a few of the company officers.

United Casualty Business Reinsured

Craftsman Gets Accident, Health, Hospital Risks to Mutual Benefit

Craftsman of Boston has bought the accident and health business of United Casualty of Westfield, Mass. The hospital business of United is being reinsured by Mutual Benefit Health & Accident of Omaha. C. M. Goodnow is president of Craftsman. He was at one time president of the Loyal Protective. United Casualty wrote a very large volume of hospital insurance in the first part of 1939 at rates which proved inadequate as the losses began to mount. As of Dec. 31, the surplus had dropped to about \$10,000.

During 1939 United had premiums \$726,671 and losses \$339,870. It was started in 1887 as Red Men's Fraternal Accident and took its present title in 1922. President is R. A. Gowdy; vice-president, A. E. Ford; secretary, G. W. Beals.

Assets at the end of 1939 were \$322,228; claim reserve \$66,572, premium reserve \$114,400, capital \$100,000, net surplus \$10,055.

Several officials of the United Casualty, including President Gowdy, will join the Craftsman.

N. C. Clarifies Position on 50-50 Plate Glass Form

NEW YORK—The uncertainty as to the attitude of the North Carolina department toward the 50-50 plate glass policy, that has existed for sometime, has now been removed by its authorization to companies to issue the form providing this endorsement is attached: "In case of loss under this policy, which added to previous losses during the policy period, does not exceed the amount of the retention, if the assured shall elect not to make replacement or repairs, the loss shall be ascertained by agreement or by appraisal as provided, and the loss thus ascertained shall be credited on the retention."

Let Ore. Auto Cover Contract

PORTLAND, ORE.—Contract for furnishing insurance on Oregon state owned automobiles for the year ending July 1, 1941, was let to the American Casualty, through the Portland Insurance Corporation. The company was low bidder with \$19,271. Other bidders were: Pacific Indemnity, \$19,381; National Automobile, \$20,218; Travelers, \$22,979, and General Casualty, \$27,653. The schedule includes about 1,570 automobiles.

The American Casualty was awarded the business for the six months expiring July 1, 1940, after a controversy over the bid submitted last year by the U. S. Guarantee, culminating in the disqualification of its bid by the insurance department.

Atlantans Hear Deputy Wright

ATLANTA—A. R. Wright, deputy commissioner of Georgia, addressed a meeting of the Atlanta Accident & Health Association.

All-Risk Liability Forms Nearly Ready for N. Y. Approval

Leslie Tells Buyers' Group Two Bureaus Agree on Most Points

NEW YORK—General Manager William Leslie of the National Bureau of Casualty & Surety Underwriters told members of Risk Research Institute that he hoped it would be only a short time until conferences that have been going on between the bureau and the Mutual Casualty Bureau result in proposals for standard forms for comprehensive general liability and comprehensive automobile liability coverages which would be acceptable to the New York department. He said the two bureaus have agreed on all but two points.

Seek Full Automatic Protection

Since nearly all policies would contain some exceptions, the proposed coverage is more in the nature of automatic pickup insurance rather than all-risk in the strict sense. He said that the trend at present is toward a policy contract which will give completely automatic protection in the general public liability field. From the schedule policy, which becomes all-risk by the insured's buying all the coverages listed, there developed the single insuring clause type, which brought on the necessity of determining whether the insured or the companies would want so broad a coverage, he said, citing products liability as an example of what the buyer might prefer to exclude and contractual liability as exemplifying what the insurance company might want to exclude. Also in this classification he mentioned property damage.

Lists Points Agreed On

Conferences in New York between the National Bureau and the Mutual Bureau, including non-member service subscribers of both organizations, resulted in agreement on the following principles:

1. So far as New York is concerned automobile coverage will be kept separate and not included in general liability coverage. However, it is proposed that the automobile contract shall be comprehensive so far as automobile is concerned, with perhaps one or two reservations, for example, long haul trucking.

2. In drawing up policy forms all provisions for automobile coverage which are applicable to miscellaneous liability shall be included in the miscellaneous liability coverage. Liability shall be limited to a "caused by accident" basis. Requests for rates for coverages going beyond a "caused by accident" basis would be handled by the two rating organizations on the so-called "A" rate basis, which involves re-

(CONTINUED ON PAGE 25)

Stone Outlines in Detail Setup of U. S. Branch

The June issue of the "Employers Pioneer," publication of the Employers group, is devoted to a detailed explanation of the United States setup and operations of Employers Liability, in view of the fact that the war situation has provoked discussion of the situation of United States branches of foreign companies. It is a most effective exhibit.

There is a general statement by United States Manager E. C. Stone, a letter to Mr. Stone from Commissioner Harrington of Massachusetts, observing that the laws of that state governing the operation of the U. S. branch of Employers Liability to all intents and purposes provide the same measure of protection as that which is provided by a company incorporated in the United States.

There is a quotation from a recent address of Superintendent Pink of New York on the financial standing of United States branches. There is a detailed description of the terms of the deed of trust running from Employers Liability to the New England Trust Company of Boston as custodian of the trust fund for the protection of policyholders and creditors in the United States. The deed of trust is reproduced in its entirety. There is a letter from the president of the New England Trust Company to Mr. Stone, pointing out that under the Massachusetts laws, an insurance company of a foreign country is required to place its capital funds in trust. No principal funds may be withdrawn without the consent of the Massachusetts commissioner, except that deposits of funds may be made when required in any state for the benefit and security of all policyholders and creditors in the United States. An amendment of the deed of trust must have the approval of the Massachusetts commissioner. Neither the board of directors in England nor the general manager and attorney in the United States can withdraw funds without the consent of the commissioner in writing having been lodged with the trustee.

In addition to the funds under trusteeship, Employers Liability has about \$7,000,000 in assets, consisting of cash, premiums in course of collection and other items, all of which are good. The trust fund is more than ample to take care of all liabilities and then there is this additional \$7,000,000 of assets that are really held for the benefit of policyholders and creditors in the United States because none of those funds could be remitted to London except with the written permission of the New York superintendent.

Special deposits in a number of states amount to \$1,444,535 and are in addition to the \$36,407,430 held by the New England Trust Company.

Revise Minnesota Procedure

ST. PAUL—To conform to a recent state supreme court ruling, the Minnesota highway department has revised its procedure in revoking drivers' licenses. The court recently held that a license could not be revoked on a first offense of drunken driving without a recommendation from the trial judge. Hereafter the highway department will not revoke a license unless so recommended but in the case of second or third offense the license is automatically revoked for one year and cannot be reinstated until the driver files with the department proof of financial responsibility.

In May 620 motorists lost their driving licenses for various offenses, the majority of them for driving while drunk. St. Paul police courts are bearing down on garage owners who fail to report automobiles involved in accidents which are brought to them for repairs. A city ordinance requires such reports.

Compensation Results of N. Y. Admitted Insurers

The New York department this week released a study it has made of the experience of casualty companies licensed in New York during 1939 in the com-

pensation line. In the following table is given the country-wide experience of those companies on compensation insurance on the basis of premiums earned

and losses and expenses incurred for 1939, excluding the business of carriers which have ceased writing compensation.

Insurance Carrier	Premiums Earned	Losses Incurred	Loss Ratio	Analysis of Underwriting Expenses—Percentage of Earned Premiums							
				Adj. & Invest.	Acquis. Exp.	Superv.	Genl. Admin.	Insp. & Bureau	Taxes & Misc.	Underw. Profits	Ratio From Incur.
All carriers	\$230,427,483	\$127,074,532	55.1	8.5	12.0	8.0	2.7	2.7	3.3	34.2	10.7
Stock companies	132,403,839	72,300,205	54.6	9.2	17.7	9.4	2.6	3.3	3.5	42.7	2.7
Mutual companies	75,825,465	40,964,869	54.0	7.2	5.3	5.8	3.0	2.4	2.4	23.7	22.3
State Insurance Fund	22,198,179	13,809,458	62.2	8.7	7.7	7.3	2.2	18.9	18.9

STOCK COMPANIES

Accident & Cas.	76,660	52,964	69.1	7.1	36.1	25.2	5.0	6.1	...	79.5	—48.6
Aetna Cas.	8,680,196	4,451,176	51.5	8.5	18.3	12.3	3.1	3.1	3.8	46.1	2.6
Aetna Life	1,266,517	639,930	50.5	14.2	15.6	10.0	3.4	1.6	...	44.9	4.6
American Auto.	28,873	—3,094	—10.7	5.6	17.8	3.6	4.4	2.8	2.0	32.2	78.5
American Employ.	1,723,987	1,325,662	76.9	6.9	19.4	9.3	1.8	2.8	...	40.8	—17.7
American Motorists.	1,377,610	683,753	49.6	7.1	9.5	6.6	1.9	2.7	2.7	22.6	...
Amer. Policyholders	11,718	4,959	42.3	10.4	—45.0	28.8	8.8	7.7	5.2	15.9	41.8
American Re-Insur.	657,910	151,019	22.9	...	11.3	8.3	5.5	...	20.2	40.3	36.8
American Surety	914,107	578,879	63.3	8.4	20.4	13.6	2.1	5.0	...	49.5	—12.8
Alex. Indemnity	72,380	28,587	39.5	9.9	6.7	13.0	2.1	4.8	1.7	38.3	22.2
Associated Indem.	2,949,277	1,492,746	50.6	7.6	12.4	5.4	2.1	3.1	3.9	31.6	17.8
Bankers Indem.	1,301,402	605,487	46.5	12.1	16.4	13.4	2.4	3.5	...	47.6	5.9
Car & Gen.	482,393	240,241	49.8	8.0	21.7	7.1	1.6	3.2	...	41.6	8.6
Central Surety	945,331	515,832	54.6	11.7	20.5	7.7	1.2	2.4	3.3	43.8	1.6
Century Indem.	1,792,231	1,018,141	56.8	9.9	20.6	8.0	2.3	3.4	...	44.2	—1.0
Columbia Cas.	659,585	454,944	69.0	11.2	21.4	14.2	1.7	3.6	...	52.1	—21.1
Commercial Cas.	341,877	206,216	60.3	17.1	18.4	12.0	1.9	4.6	...	54.0	—14.3
Continental Cas.	3,825,828	2,189,751	57.5	10.3	18.7	7.5	2.4	3.2	...	42.1	4.4
Eagle Indemnity	785,273	418,617	53.3	9.5	17.2	8.4	2.4	3.5	1.0	41.8	4.9
Emp. Liab.	8,637,255	4,802,170	55.6	8.6	18.5	9.2	1.9	3.7	3.3	42.0	2.4
Employers Reins.	434,857	181,130	41.6	3.0	33.0	6.0	2.7	1.5	1.8	47.0	11.4
Europ. G. Reins.	57,709	40,900	70.9	—7.0	41.9	1.8	1.1	2.7	...	37.0	—7.9
Excess	90,531	40,839	45.1	6.4	9.4	13.3	3.7	3.7	1.1	32.9	22.0
Fid. & Cas.	6,112,008	3,055,829	50.5	9.8	20.8	7.8	2.9	3.8	3.2	45.3	4.2
Fireman's Fund Ind.	1,537,676	840,444	54.7	10.5	19.5	11.5	2.6	3.6	...	47.7	—2.4
First Reins.	15,643	6,382	40.7	15.6	4.2	23.4	3.3	1.6	—2.0	43.2	16.0
Gen. Accident	3,195,897	1,770,203	55.4	10.3	15.9	7.0	1.7	3.4	3.9	39.2	5.4
General Cas. Seattle	10,580	17,877	188.9	12.7	20.3	8.3	3.1	...	45.3	—114.2	
General Reins.	47,1456	223,485	47.4	1.2	10.6	5.4	2.2	4.5	4.5	24.1	28.5
Gen. Trans. Cas.	88,939	29,377	33.0	14.1	1.1	2.9	1.3	2.7	2.7	23.9	43.1
Glens Falls Indem.	1,514,544	701,463	46.3	11.9	20.4	11.4	1.7	4.0	...	49.4	4.5
Globe Indemnity	3,788,058	1,982,262	52.3	8.6	16.2	7.2	2.3	3.2	2.3	39.8	7.9
Great Amer. Ind.	2,401,453	1,390,861	57.9	10.5	16.5	13.0	2.0	3.2	1.1	45.3	—3.2
Hartford Accident	10,331,870	6,450,982	62.4	9.3	16.9	8.4	2.9	3.4	...	40.9	—3.3
Indem. Ins. of N. A.	1,568,716	834,136	53.1	11.7	18.1	10.9	2.3	4.7	...	47.7	—8
London Guar.	2,302,646	1,177,510	51.1	9.1	17.5	12.2	2.2	3.5	3.9	45.4	3.5
Lord & Lan. Ind.	528,512	239,649	45.3	10.4	15.3	14.2	2.3	3.4	...	45.6	9.1
Manufac. Cas.	830,026	421,850	50.8	8.3	11.8	9.0	4.8	2.7	1.4	38.0	11.1
Maryland Cas.	6,624,246	4,116,163	62.1	9.3	19.0	8.7	3.3	3.4	...	43.7	—5.8
Mass. Bonding	2,942,084	1,504,930	51.2	8.3	19.0	9.5	2.4	3.0	1.2	43.3	5.5
Met. Cas.	267,278	154,940	58.0	17.9	18.6	12.9	2.4	5.8	...	57.3	—15.3
National Cas.	255,552	131,547	51.5	11.3	18.2	8.8	2.5	2.6	...	43.6	4.9
New Amsterdam Cas.	3,523,199	2,219,504	63.0	10.6	17.1	9.5	1.8	3.0	...	42.1	—5.1
New York Cas.	345,614	178,973	51.8	10.6	18.4	10.7	1.9	5.0	3.3	46.9	1.3
Norwich Union Ind.	33,136	15,175	45.8	14.5	21.4	18.9	1.6	4.9	...	60.4	—6.2
Occidental Indem.	427,048	179,122	41.9	9.6	16.2	13.0	1.4	3.4	2.1	45.7	12.4
Ocean Accident	2,525,581	1,264,584	50.1	10.6	16.7	12.5	1.6	3.0	1.9	45.3	4.6
Peerless Cas.	9,680	1,432	14.8	...	57.2	16.3	1.9	3.6	...	79.0	6.2
Phoenix Indem.	984,677	438,825	44.6	8.2	19.2	9.4	1.9	3.5	3.5	45.7	9.7
Preferred Accident	10,020	3,803	37.9	7.6	50.8	15.3	1.9	4.9	...	80.5	—18.4
Royal Indem.	3,446,254	1,712,753	49.7	8.4	16.2	8.9	2.2	2.9	1.8	40.4	9.9
St. Paul-Mer. Ind.	829,257	419,718	50.6	7.7	18.0	8.8	2.6	3.1	1.7	41.9	7.5
Standard Accident	4,037,488	2,382,735	59.0	8.6	19.1	9.7	2.6	3.2	...	43.2	—2.2
Stand. Sur. & Cas.	694,827	387,242	55.7	11.2	19.1	9.8	2.1	4.2	...	46.4	—2.1
Sun Ind.	660,372	323,853	48.9	11.9	16.5	7.8	1.6	3.5	1.8	43.2	7.9
Travelers Ind.	1,490,786	900,239	60.4	8.0	19.1	12.3	1.9	3.4	...	44.7	—5.1
Travelers	18,653,932	9,299,682	51.5	7.1	17.1	9.3	3.4	3.4	...	40.3	8.2
United States Cas.	2,208,990	1,550,257	70.2	13.1	17.9	8.0	1.7	3.9	...	44.6	—14.8
United States F. & G.	6,881,112	3,344,690	48.6	11.5	17.3	9.6	2.5	3.3	1.7	44.9	6.5
United States Guar.	87,885	91,517	104.1	15.5	6.7	2.4	4.4	1.9	1.1	11.2	38.1
Western Cas.	137,515	43,331	31.5	19.7	6.7	2.2	2.2	16.1	3.7	48.4	20.1
Zurich	4,115,505	2,333,040	56.7	11.7	18.3	7.5	3.2	2.2	...	43.4	—1

ADDITIONAL TABLE ON NEXT PAGE

Emmco Companies Attract Attention

Emmco and Emmco Casualty of South Bend, Ind., which are identified with Associates Investment Company of that city, are becoming increasingly active in the field.

In Connecticut, Indiana, Michigan, New York, Ohio and Washington, the companies have field men planting the companies with agents. In Nebraska and Texas both companies operate through general agents and in Virginia, Emmco only writes business through a general agent. In the remaining states the companies are not yet active as far as special agents planting the companies are concerned. How-

Analyze Trend in Compensation

In addition to charts on opposite page the N.Y. department has made a further study, showing the aggregate results and the breakdown of loss and expense

ratios on compensation insurance of companies operating in New York for each of the years 1930-1939 inclusive. That exhibit follows:

	Premiums Earned	Loss Ratio	Analysis of Underwriting Expenses— Percentage of Earned Premiums						
			Acquisition & Field Supervision	General Administration	Inspection and Bureau	Social Security and Miscellaneous Taxes	Ratio Total	Ratio of Net Gain from Underwriting	Ratio of Net Expenses Incurred
STOCK COMPANIES									
1930	\$150,222,000	63.8	10.4	18.2	9.9	2.8	2.2	43.5	—12.3
1931	125,802,000	72.6	11.1	18.6	10.5	3.3	2.1	45.5	—18.1
1932	94,484,000	71.6	12.3	17.7	11.1	3.5	2.0	46.7	—18.3
1933	83,921,000	73.3	12.3	18.0	11.3	3.3	2.2	47.2	—20.5
1934	98,010,000	62.2	10.0	18.0	9.8	2.4	2.3	42.6	—4.7
1935	107,070,000	50.4	9.6	17.8	9.3	2.4	3.1	42.2	—2.6
1936	122,062,000	58.2	8.9	17.5	8.8	2.3	3.2	40.7	1.0
1937	141,773,000	52.8	8.4	17.3	8.5	2.3	3.9	40.4	6.8
1938	134,679,000	50.7	9.0	17.6	9.4	2.4	3.5	42.8	6.5
1939	132,404,000	54.6	9.2	17.7	9.4	2.6	3.3	42.1	2.7
MUTUAL COMPANIES									
1930	37,896,000	59.4	8.6	4.5	6.3	3.0	1.4	23.8	16.8
1931	30,546,000	51.5	9.4	5.0	6.8	3.3	1.6	26.0	12.5
1932	25,227,000	58.0	10.2	5.5	6.6	3.6	1.4	27.3	14.7
1933	23,722,000	63.7	10.4	5.4	6.7	3.6	1.3	27.4	8.9
1934	34,423,000	61.3	8.1	4.7	5.5	2.9	1.8	23.0	15.7
1935	43,882,000	57.7	7.4	4.6	5.7	2.6	2.4	22.7	19.6
1936	54,711,000	58.1	7.1	4.3	5.8	2.5	2.0	21.7	20.1
1937	70,297,000	54.3	6.5	4.2	5.7	2.5	2.4	21.3	24.4
1938	74,292,000	53.0	7.1	5.3	5.8	3.0	2.4	23.1	23.9
1939	75,825,000	54.0	7.2	5.3	5.8	3.0	2.4	23.7	22.3
STATE INSURANCE FUND									
1930	8,240,000	80.3	7.1	1.4	6.3	3.1	...	17.9	1.7
1931	7,199,000	84.8	9.2	1.6	7.4	3.7	...	21.9	—6.7
1932	6,241,000	79.6	8.8	1.7	7.5	3.7	...	21.7	—1.4
1933	6,799,000	84.6	10.2	1.6	7.0	3.5	...	22.3	—6.9
1934	9,505,000	88.6	10.9	1.2	6.5	3.1	...	21.7	—10.3
1935	13,977,000	81.3	8.9	.8	5.2	2.4	...	17.3	1.4
1936	17,854,000	78.0	9.5	.8	5.4	2.5	...	18.2	3.8
1937	21,459,000	84.5	9.0	.6	4.9	2.0	...	16.5	—1.0
1938	20,641,000	89.0	9.6	.6	6.0	2.4	1.5	20.1	10.9
1939	22,198,000	62.2	8.7	.7	7.3	2.2	...	18.9	18.9

Forces Commissioner to Approve Merit Rating Plan

Indemnity of North America has obtained a writ in the Thurston county superior court forcing Commissioner Sullivan of the state of Washington to accept its merit rating plan for automobile P.L. and P.D. The commissioner was directed to appear July 8, to show cause why the writ should not be made permanent. Mr. Sullivan rejected the Indemnity Company's filing after he had issued a notice to all companies setting a "floor" to the "A-B" rates that were filed May 15.

Owl Association Elects

BOSTON — The Owl Association, home office employees organization of the Employers Liability elected E. K. Luscombe of the fire underwriting department as president; W. J. Queenin, payroll audit department, vice-president; Elof Josephson, statistical department, as treasurer, and Margaret M. Connery, accounts department, as secretary.

Increase Only on School Bus Line

In the May 23 edition, the statement was made that the acquisition cost conference had increased the commission on bus business to 25 percent for general agents, 20 percent for regional and 17½ percent for agents and brokers. The commission was increased only on school bus business.

F. & D. Philadelphia Open House

The Philadelphia branch of Fidelity & Deposit and American Bonding held open house to celebrate the opening of the companies' new ground floor offices in the Insurance Exchange, in Philadelphia. The branch previously had been located in the Girard Trust Company building in the uptown district.

Manager James M. Henderson and his associates were assisted in welcoming their guests by several executives and other members of the home office staff. These included: D. Claude Handy, president of American Bonding and vice-president of F. & D.; Herbert L. Dunn, vice-president and agency manager of both companies; Charles H. McComas, manager and attorney of the claim de-

partment; B. H. Mercer, vice-president in charge of the judicial department; Roland Benjamin, treasurer; C. V-R. Marsh, comptroller, and Donald L. Buckler, assistant manager agency department.

In addition to the new offices, the companies will maintain an uptown office in the Real Estate Trust building, under the management of Lynn E. Exline. This office will provide service for mid-city clients, especially attorneys.

128 Essays in Contest

The International Claim Association's essay contest elicited 128 essays on the subject, "The Claim Department, Builder of Good Will." The entries were submitted by junior members of claim departments of company members. Winning essays will be announced about Aug. 15.

The contest is divided as between life insurance and accident and health.

Municipal Auto Liability Ruling

ST. PAUL — The Minnesota attorney general's office holds that in operating motorized fire apparatus, a municipality itself is not liable for negligence and is not compelled to carry insurance on fire fighting equipment.

It points out that there is a difference, however, between municipal liability and the liability of the driver of a fire vehicle. The Minnesota legislature passed an act which authorizes municipalities to take out liability insurance covering employees of the police and fire departments and pay the premiums.

Explains Safe Deposit Cover

Hartford Accident has got out an attractive booklet on safe depositary liability insurance. It describes the situation with which banks are confronted when claims are made against them by renters of safe deposit boxes and lists names and describes 10 cases in which banks were held liable. It discusses the various circumstances which can render a bank liable, outlines the coverage of the policy and shows the rate schedule.

Get your copy of "Fidelity & Surety Bonding" by G. R. Wentz, 400 pages, Price \$2. Order from National Underwriter.

Fictitious Fleets Barred in Minn. by Attorney-General

ST. PAUL — The attorney-general has handed down an opinion that the writing of so-called fictitious automobile fleets constitutes the violation of the law prohibiting any advantage or distinction being granted with respect to the premium on any policy of insurance. In requesting the opinion, Commissioner Yetka said he had been informed that certain insurers had arranged for joining together groups of individually owned cars, insuring them in one policy and granting the same credit that would be available to legitimate fleets.

The attorney-general holds that the term "fleet" recognizes unity or singleness of control. The mere grouping of a number of purchasers under one policy can afford no reasonable basis for granting them a classification which would entitle them to a lower rate than the same type of purchaser who procures his policy of insurance alone.

Adequate Training Necessity for Agents in Casualty Line

Discussing the advantages of adequate and thorough training for insurance agents, particularly in the casualty field, C. E. Blake, assistant supervisor agency field service and instructor in Travelers home office school for casualty agents, pointed out to the Virginia Association of Insurance Agents at its meeting at the University of Richmond that a man would have little faith in a doctor if he discovered that he knew more about the doctor's profession than the doctor himself.

Mr. Blake said insurance was once a great mystery to the mass of American people. It was once thought that insurance was as much a mystery as theology, law or medicine, and that only a select few could really understand it. But, Mr. Blake said, through their publications, advertisements, and particularly through their agents, insurance companies have in reality been conducting a gigantic educational campaign so that today the problem is much more simple as far as the agent is concerned.

It is much easier, he said, to show a property owner why he needs public liability insurance and what it will do for him if he already knows why he needs automobile liability insurance and what his insurance company stands ready to do for him in case of accident. On the other hand, he continued, this condition may put the untrained agent in a very embarrassing position. For under such conditions, the untrained agent may find himself discussing a line of insurance with a prospect who knows more about it than he does.

Mr. Blake cited still another reason for careful training of the agent. The casualty business is dynamic and constantly changing, with the introduction of new forms of casualty insurance, and this fact makes it necessary for the agent to keep adding to his knowledge of the business in order that he may keep up with the business itself.

Hartford Colleges Get Home

HARTFORD — Title to the Jacobus estate at 39 Woodland street has been made over to Harlan S. Don Carlos, Farwell Knapp and Berkeley Cox, trustees for the Hartford Colleges of Law & Insurance. The drive for \$50,000 with which to purchase the estate has been completed by the guaranty of eight of the trustees of the colleges. It is hoped that the small remainder so underwritten will be made up by contributions which continue to be received daily.

Six of the larger insurance companies in this city contributed \$25,000, and the remaining \$25,000 was obtained from 462 individual subscriptions.

Opportunities Many for Agents to Build Bonding Business

Spencer Welton Gives Address Before New England Group

POLAND SPRING, ME.—At the annual meeting of the New England Associations of Insurance Agents here, Spencer Welton, vice-president Massachusetts Bonding, spoke on his pet topic, "The Merchandising of Surety Bonds and How to Increase Sales in This Direction." The premium income for surety business in this country is \$125,000,000 a year, but the speaker declared with proper effort it should be increased \$100,000,000 more. He referred to the fact that 25,000 fidelity claims are presented every year to companies. The average per day is over 80. The average aggregate fidelity losses paid by companies during the last seven years is \$15,500,000 per year. Companies pay \$50,000 every working day in fidelity losses. Yet statistics show that only 10 percent of the total dishonesty losses were insured. Defalcations made good by bonding companies cost them \$3,520,570. Yet the actual total loss to employers on the same defalcation was \$52,468,905.

Surety Business Not Highly Technical

Mr. Welton urged agents to get away from the thought that the surety business was so highly technical. They should master it and be able to deal intelligently with prospects. He said it becomes increasingly evident that the insurance practitioner must really know his business in almost exact ratio as the producer's education progresses. Therefore, his bonding line will develop as his knowledge of the business is gained. One does not need to qualify as an underwriting expert, Mr. Welton asserted, to write surety business. He asserted that while more and more agents regard and describe their business as a profession, yet he said, "We are after all primarily merchants." The insurance business, he said, has become pretty much a department store and, therefore, some department store selling methods should be adopted. He suggested, for instance, that it would be a profitable venture to make fidelity bonds the leader one week and work them hard. There should be a special drive on public official bonds in an election year, but well in advance of election time. A week could be devoted in developing court bonds.

In High Commission Group

He called attention to the fact that bonding lines are in the high commission group. Fidelity bonds particularly tend to stay on the books. Some schedules have been carried in the same company for 20 years.

Mr. Welton said that solicitation of mine run of fidelity bond business is to be recommended because more often than not it means the creation of new business instead of competing for something another agent already has. Mr. Welton made two practical suggestions. First, when agents go home from the convention they should run over the list of their present clients, consider which ones should be carrying fidelity protection and then bring arguments to bear on them. Next, when agents have exhausted their possibilities among their own clients they should take their telephone book, turn to the business directory, try to decide which people should (CONTINUED ON PAGE 25)

Blackall Slated for President of Commissioners

(CONTINUED FROM PAGE 3)

board and president of Phoenix of Hartford, spoke for the city in the absence of the mayor. Another distinguished insurance president, R. M. Bissell of Hartford Fire, extended greetings from the Connecticut insurance companies. He asserted these companies had successfully fulfilled their duties to the public and policyholders, their employees and stockholders. Stockholders of these companies have, he said, assumed company obligations as their own in case of great emergency.

Mr. Bissell advocated a fixed percentage of the premium income, 100 percent if necessary for the unearned premium reserve instead of the present system of calculating the reserve for each risk. Fire rates have decreased 40 percent in the last 20 years. They will go down still further, he predicted. While the loss ratio has been abnormally low he added it is increasing.

He referred further to risk classification as basis of rate making which he said is a fallacy. He would reduce those classes to a very few such as dwellings, farm property and the like. He would simplify rating schedules. They are too complicated, he added, and involve too much expense in application. It is necessary, he declared, to save in expense items.

Williams Responds to Welcome

Commissioner Williams of Mississippi responded to the welcome. On roll call it was found that 40 states, District of Columbia and Puerto Rico were represented, also two Canadian provinces and the Dominion.

In the absence of Holmes of Montana, perennial sergeant at arms, the chair appointed McDonald of Wyoming to serve without compensation. Tribute was paid to Newbauer of Indiana, Harrison of Georgia and Conway of Louisiana who died since the last meeting.

The resolutions committee consists of Julian, Alabama, chairman; Bowles, Virginia; Palmer, Illinois; Sullivan, Washington; Boney, North Carolina.

Newly appointed commissioners were introduced. Thompson of Oregon, Viehmann of Indiana, Burt of South Dakota, Weller, Rhode Island. H. R. Ball of Puerto Rico was presented. He spoke of the glories of his island.

Canadians Are Presented

McNairn of Ontario, president of the Canadian insurance superintendents, spoke. He introduced LaFrance of Quebec and Finlayson, Dominion superintendent. Leighton Foster, general counsel of the Canadian Life Insurance Officers Association, also was heard.

There were introduced Col. C. B. Robbins, manager American Life Convention; Frances Partridge, Port Huron, Mich., president National Fraternal Congress; A. V. Gruhn, manager American Mutual Alliance; Holgar Johnson, president Institute of Life Insurance; Sidney O. Smith, president National Association of Insurance Agents; William Leslie, manager National Bureau of Casualty & Surety Underwriters; S. L. Carpenter, Jr., manager, Pacific Board.

At the afternoon session Tuesday W. V. Knott of Florida gave his address on "Reminiscences of a Commissioner." J. G. Emery of Michigan spoke on real estate appraisals. Superintendent Pink of New York read his paper on investments and Superintendent Julian of Alabama on fraternals, they being shifted from Wednesday morning in order that it could be given to executive session.

President Neslen observed in his report that the storm that was much feared from the TNEC investigation has greatly subsided. He said that commissioners in special zones should meet from time to time to discuss their regional problems.

Commissioner C. F. Hobbs of Kansas

is being prominently mentioned for the vice-presidency of the association.

At the meeting of the valuations committee, Actuary Guertin of Trenton suggested the committee recommend a change as to bond amortization, considering at what rate of interest it has been selling in the market and if it is found to be selling at a higher rate, it can not be amortized. Furthermore Mr. Guertin suggested a change in FHA mortgages now carried at their face value. He suggested that the New York department rule on amortization of these mortgages be adopted, so that the premium be written off not longer than five years from date of purchase. Guertin will draft his recommendations in writing for consideration of the committee.

NEXT MEETING SITE

A meeting of the executive committee was held Monday afternoon presided over by Williams of Mississippi, chairman. Knott of Florida presented an invitation to hold the December meeting in his state. Rummage of Arizona spoke for Phoenix. McCormack, Tennessee, extended an invitation for Memphis, Nashville or Chattanooga, either for winter or annual meeting. Julian, Alabama, declared the meeting should be held in New York in view of the critical times so that the officials could consult insurance leaders. Palmer, Illinois, supported Julian, saying that the December convention should be strictly a working one and not one devoted largely to entertainment. He suggested either Chicago or New York. Detroit put in a bid for the 1941 annual meeting.

Allocation of Experience

At the December meeting, Waters of Texas introduced a resolution asking for a national bureau to gather and break down automobile experience in order to get a national picture. He expressed the hope that the National Council on Compensation Insurance might do this or if not then another bureau be established. The special committee of which Waters is chairman met and in his absence Harrison of Arkansas presided. A. V. Gruhn, manager American Mutual Alliance, stated his organization would not desire to abandon its bureau and he did not think the National Bureau would. He saw many practical difficulties in the Waters' plan but did say it might be feasible to reach an agreement on a uniform plan for filing experience. Mr. Waters believes the present method lacks uniformity and does not give a nationwide experience.

W. V. KNOTT'S TALK

W. V. Knott, state treasurer and insurance commissioner of Florida, who will soon retire from office, said he is the oldest member of the National Association of Insurance Commissioners in point of service, although not in continuous service. Jess Read of Oklahoma, he said, holds the record for continuous service. Mr. Knott's tenure is broken at periods of nine and 12 years, respectively. He was first appointed state treasurer in 1903 and held the office until 1912 when he resigned to become state comptroller. He was succeeded as insurance commissioner by J. C. Luning, who was elected president of the commissioners' association in 1924, and died suddenly while attending the annual convention in Rapid City, S. D., in September, 1928. Mr. Knott was then appointed to succeed Mr. Luning.

In giving his recollections, Mr. Knott said that Florida has had only three treasurers and each one of these was reelected every time he was a candidate for the office.

In his earlier years as treasurer he

admitted that insurance supervision was not a major activity. Florida's insurance legislation, as he characterized it, was crude. Mr. Luning, he confessed, was responsible for considerable constructive insurance legislation during the 16½ years he held office. In the last period of Mr. Knott's service the state has increased insurance-wise and its insurance laws have been developed. During his first year as treasurer the premiums collected amounted to something more than \$2,000,000. Last year they exceeded \$60,000,000. Life insurance accounted for \$32,000,000.

During the depression, he said, the surety companies suffered severely in the state on account of depository and real estate mortgage bonds. In 1901 the Jacksonville conflagration brought losses more than \$4,000,000 and the loss ratio was 42.7 percent. The losses in 1926 amounted to \$24,000,000, ratio 118.6 percent and in 1928, \$13,500,000 or 88 percent, these being the two years of the great tornado disaster. The average fire loss ratio for 60 years, he said, has been 38.4 percent.

Comment on Life Insurance

Life insurance, he said, has far departed from its primary purpose in that it now pays approximately \$2 to living policyholders per \$1 in death claims. He thinks probably the investment feature has been over emphasized.

In speaking of policy loans, Mr. Knott gave it as his opinion that while they should be discouraged as "borrowing from widows and children," he believes that loans for keeping policies in force by continuing this protection should bear a less rate of interest than those for other purposes where the company must apply the cash even though this involves hypothecating or sacrificing a part of its other investments.

He called attention to the fact that approximately \$3,000,000,000 in policy loans and premium notes in force at this time mean an interest charge of about \$165,000,000 annually on borrowers at the average of 5.33 percent. He expressed the wish that some plan might be devised whereby the companies could see their way clear to set aside a part of this interest charge into a fund for the reduction of the outstanding loans and possibly by providing additional insurance to the borrowers to apply in case of death to such loans. No large part of this \$3,000,000,000, he said, is actually repaid in the ordinary course of business. For the most part loans of this kind are deducted from cash surrender values or death claims.

He referred to his successor, J. E. Larson, who was nominated for office and will come up for election in November. Mr. Knott said he is well qualified in every way.

Commissioner Julian of Alabama, who is a former president of the organization, gave a talk on state supervision of fraternal benefit societies.

Palmer's Report Sent to Members

Palmer of Illinois who was appointed chairman of the committee to present a statement to the TNEC on state supervision, drew up a draft and submitted it to his associates on the committee who approved it. Then copies were made for all members of the association and mailed so that they could study it. The statement met with almost universal favor, the only member making criticism being Taggart of Pennsylvania. President Neslen commended Mr. Palmer for doing a fine piece of work. Others on the committee were Pink, N. Y.; Neslen, Utah; Lovejoy, Maine; Blackall, Connecticut; Woodward, Texas; Julian, Alabama; Caminetti, California; Boney, North Carolina.

Commissioner Read of Oklahoma submitted a printed report as chairman of the examinations committee. He included a resume of the history of the

zone examination plan commencing at the mid-winter meeting in 1935. He listed the companies that have been examined under the zone system since June of 1936, giving the states participating in each examination.

Mr. Read sets forth a number of suggestions. He states that all such examinations should be called 30 or more days in advance of commencement day except in an emergency. The domiciliary states in asking for a convention examination should furnish to the chairman of the examinations committee copies of his call letter and a sufficient number of lists to take care of the states invited. The chief examiner of the domiciliary state should be in full charge. He should direct the procedure, outline the work, establish the number of hours to be worked each day and report shortcomings of any examiner to the examiner's superior. Copies of letters addressed to the chairman of the examinations committee should not be sent to the state insurance departments that are desired to participate. That may cause confusion. An examiner should sign his report as representative of his state rather than as a representative of a zone. The chief examiner of the domiciliary state should see that the chairman of the examinations committee is furnished with a copy of each convention examination. The home state department should furnish the department of every state where the company operates with copy of the examination report.

Decision was reached to hold the mid-winter meeting in New York, either prior to or after the convention of the Life Presidents Association Dec. 5-6.

In executive session there was considerable discussion of the new HOLC contract with the Stock Company Association. The question was debated whether the arrangement violates various anti-rebate and anti-discrimination laws. Some of the commissioners said they had not had an opportunity to study the complete contract. A hearing was scheduled to take place on the subject late Wednesday with the expectation that Col. Joseph Button, manager of the S. C. A. and Paul L. Haid, president Insurance Executives Association would be heard.

The question of the employment of a permanent executive secretary for the association was referred to the executive committee with instructions to report at the December meeting.

The association voted to continue its special committee on auto finance business and the suggestion was made that the committee make an inquiry into the ownership of insurance companies by finance companies.

There was discussion at the executive session of the U. S. Supreme Court decision upholding the validity of the Virginia countersignature law. The belief was expressed that the passage of such laws would cause much business to be written in the unauthorized market.

Commissioners Seen in the Lighter Point of View

Commissioner R. B. Rummage of Arizona arrived in Hartford for the insurance commissioners' convention two weeks ahead, as he had some departmental work to do. Also he began early boosting Phoenix, Ariz., as the ideal place for the midyear meeting.

Breaking the ground for the convention, there arrived Saturday Director Ernest Palmer of Illinois; E. A. Smith of Los Angeles, now connected with the agency department Pacific Mutual Life; R. L. Spangler, Lincoln, Neb., secretary Woodmen Accident, Woodmen Central Health and Woodmen Central Life; J. J. Moriarty, of Des Moines, vice-president American Mutual Life, who was formerly connected with the old Hartford Life. They sought the golf courses.

As the buses were returning from the clam bake at Wampanoag Country Club Tuesday evening the first one slid off the road on a soft shoulder. It turned to an angle of 45 degrees but fortunately no one was injured. The next bus tried

to start the ill fated vehicle but got stuck itself. The road was obstructed for some time until bus No. 1 was extricated.

Marvin Hall, Texas fire commissioner, en route to the convention, was forced to disembark at Atlanta and go to a hospital having a severe attack of influenza. **Commissioner Taggart** of Pennsylvania is quite ill in a hospital in Harrisburg. **Yetka** of Minnesota, who has been in bad shape for some months, is still disabled.

Bradley Palmer of Chicago, son of Insurance Director Palmer of Illinois, is a pupil in the Aetna Casualty training course, being in line for field work. He met Vice-President R. I. Catlin of the company at the convention of the Illinois Association of Insurance Agents and became interested in possibilities of special agency activities. After graduating from college he started as an agent for W. A. Alexander & Co. at Chicago and thus received an insight into insurance soliciting. He was able to play some golf with his father before the convention started.

Kid Kaplan, former prize fighter, now an agent for Bunker's National Life of Montclair, N. J., also conducts a restaurant and tap room in Hartford. He made a play for insurance patronage during convention week, sending special bids to the commissioners and their cohorts.

The **banquet** was held Wednesday evening at the Hartford Club with a reception preceding. There was no formal program. President Neslen presided, introducing association officials, those prominent in local arrangements state and city officials.

The **clam bake** took place Tuesday evening at the **Wampanoag Country Club**. Tents were pitched on the ground to give a colony appearance.

The first entertainment feature was the **get-together informal dinner** Monday evening at the Bond Hotel.

The **last convention in Hartford** was 10 years ago when Col. H. P. Dunham was president. At that meeting C. C. Wysong of Indiana was elected president. Col. & Mrs. Dunham still maintain their home in Hartford and reside there during the summer months. They took an active part this year in the social proceedings.

Commissioner **H. R. Ball** of Puerto Rico was present with his wife.

Lovejoy of Maine and Rouillard of New Hampshire left Thursday morning to attend the annual meeting of the New England Associations of Insurance Agents at Poland Spring, Me.

Commissioner **Thompson** of Oregon arrived while the executive committee was in session Monday afternoon and was introduced by Commissioner Neslen of Utah.

Commissioner **La France** of Quebec was accompanied by Mrs. La France.

Liable for Injury After Property Is Conveyed

NEW YORK—Liability underwriters are interested in a decision of the Court of Appeals sustaining the judgment of the city court of New York, involving the liability of a property owner for personal injuries incurred by a tenant after the property owner had sold the property. The case was that of Lorean and William Pharm against Rose Lituchy and Brown, Wheelock, Harris, Stevens, Inc., as agents, and the Emigrant Industrial Savings Bank.

According to testimony the plaintiffs in the action on March 14, 1938, notified the agents of the bank, at that time the owner of the premises, that a ceiling in their apartment was in a dangerous condition. Four days later the property was conveyed by the bank to the new owner, and on March 19 the ceiling fell injuring occupants, who sued to recover damages.

In upholding the decision of the trial court and the several other tribunals to which appeal in turn was made, Judge Sears of the court of appeals observed that when the bank conveyed the premises, it did not notify the grantee of the dangerous condition of the ceiling. Although at common law it is the general rule that an owner of land ceases to be liable in negligence for its condition when the premises pass out of his control before injury results, there are exceptions and one is where a nuisance

According to

PHIL

By Phil Bramiff
Insurers Indemnity &
Insurance Co., Tulsa



There are two things that'll make a liar out of a man quicker 'n anything. One is civic pride and the other you'll recognize if you ever get caught. No matter if a man is from Boston or from Flanagan's Gulch, he can tell you some fetching facts and fiction about his own home town.

But living in a city like Tulsa is different. There isn't any point in telling a lie about Tulsa. As a matter of fact I remember one time I was back east and got into an argument about Tulsa and one fellow was bragging about his home town so I told him we had a 25 story building in Tulsa and when I got home I'm a son-of-a-gun if they hadn't started it! It's the darndest place I ever saw.

Yes sir, a man's home town is something more than a city. It's a living, breathing something with character. It has atmosphere and personality. Tulsa can get hotter than a firecracker in the summer and colder than a well-digger's shovel in the winter. But with all the sun and the wind and the cold weather, it's the best place this side of the gates. Sometimes you hear people complaining about the taxes, but when you see the schools and the parks—when you see how clean the streets are—when you realize how free the city is of disease and contagion—when you see that clear blue sky overhead and those clean buildings reaching up—when you drink that pure Spavinaw water and know that there's plenty of it for the dry season—when you get to realize all these things, then you don't mind the taxes. The parks don't have many statues yet. The heroes and public leaders are still grazing on chili when it has to be chili and turkey when there's turkey. Tulsa is full of men who made their way—men who took a hitch in their belts when the grub ran low. Tulsa isn't any push-over—it wants work out of a man. You can see it through the rose-colored glasses of success or the misty lens of failure—and there it is—ready to knock your ears down if you need it or set you up on the ladder if you have earned it.

See you later—something just went by my ear!

Phil.

exists on the premises. The multiple dwelling law has broadened the concept of nuisance. The act provides "whatever is dangerous to human life or detrimental to health and whatever dwelling is overcrowded with occupants are also severally in contemplation of this law, nuisances."

The jury found that the ceiling was in a dangerous condition. The law makes this a nuisance and liability of the owner in such case persists beyond conveyance, at least until the new owner has had reasonable opportunity to discover the condition on prompt inspection and to make necessary repairs.

Decision in Glider Accident

The crash of a glider brings a decision from the Pennsylvania supreme court, western district, affirming the decision of the lower court in Sychala vs. Metropolitan Life which had two accident policies involved. The question before the court involved the construction of the exceptions clause. The policy provided that the insurance would not cover injuries sustained while the insured was participating in aviation or aeronautics except as a fare-paying passenger. The insured died when a glider which he was operating for pleasure fell to the earth. The plaintiff contended that the operation of a glider did not come within the meaning of aeronautics. The court did not agree with this contention. It was held that the risk was not covered and hence the plaintiff was not entitled to recover it.

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ACCIDENT AND HEALTH

Assure Good Attendance for Executives Dinner in Chicago

A notable attendance of company officials already is assured for the accident and health executives dinner to be staged by the Chicago Accident & Health Association, tentatively set for Nov. 12, to which executives of all companies writing accident and health insurance are being invited. Donald E. Compton, Provident Life & Accident, president of the Chicago association, contacted many of the company men who were in attendance at the meeting of the National Accident & Health Association in Columbus and also presented an invitation from the Chicago group at the annual meeting of the Health & Accident Underwriters Conference in Minneapolis, receiving excellent response in both cases.

Malone Milwaukee President

MILWAUKEE—At its annual meeting the Milwaukee Accident & Health Association changed its name to the Accident & Health Underwriters of Milwaukee. E. J. Malone, Time, was elected president to succeed W. A. Kempf, Old Line Life, who was named a director; A. L. Veitenhaus, Chris. Schroeder & Son agency, vice-president; John Masak, G. H. Russell Co., treasurer, and Leo Packard, Loyal Protective, reelected secretary. Other directors are J. J. Helby, Federal Casualty; John D. Rogers, Continental Casualty; A. L. Lytle, Massachusetts Protective; Val Gottschalk, Security General Agency; J. C. Windsor, Connecticut General, and L. F. Abrahams, National Casualty.

Bert Nelson, Northwestern Mutual Life, spoke on "Selling Yourself First."

Shoup Los Angeles Speaker

LOS ANGELES—At a joint meeting of the Accident & Health Managers Club of Los Angeles with the Los Angeles Life & Accident Claims Association, Paul Shoup, president Merchants & Manufacturers Association and formerly president of the Southern Pacific Railroad, spoke on "Industrial Relations."

U. S. Life Names Sarbone-Silver

The United States Life has appointed the Sarbone-Silver Agency, Newark, general agents for accident and health and hospitalization business. The agency is composed of David Sarbone and S. E. Silver.

American Savings' New Policies

The American Savings Life of Kansas City has nine new accident and health policies. It is featuring the "aristocrat," which provides life-time accident protection, full coverage for 12 months for

confining or non-confining illness, surgical benefits, 25 percent of the benefits in physician's payments. It covers air travel, is contestable after being in force two years, and waives all premiums if insured is disabled six months or more. A hospitalization and surgical benefit supplement may be attached to any of its accident or accident and health policies.

Pass N. J. Bill on Family Cover

TRENTON, N. J.—A bill which "forbids issuance of health and accident insurance policies for more than one person unless issued to head of family for members of such family and limits benefit payments on account of family members other than head of family," has become a law.

G. W. Ford Now Vice-president

George W. Ford has been elected a vice-president of Kentucky Central Life & Accident. He has been agency manager for 34 years and has been a director since 1935. He is a member of the board of aldermen of Louisville.

Mason Made Shreveport Manager

Ernest Hundahl, manager of the Dallas branch office of the Mutual Benefit Health & Accident and United Benefit Life, has advanced J. M. Mason, personal producer at Shreveport, La., to manager there.

The annual picnic of the **Provident Life & Accident** was held at the Fairylawn Club with 500 in attendance.

CHANGES

Geo. T. O'Donnell Makes Change

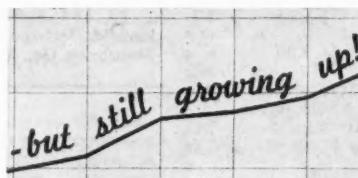
New England Casualty has appointed George T. O'Donnell special agent with headquarters at the head office in Springfield, Mass. Mr. O'Donnell completed his schooling at Boston College, class of 1930. He then went with Massachusetts Bonding as compensation and liability underwriter in the home office. In 1932 he was transferred to the Boston branch, serving as underwriter for casualty lines. In 1934 he was appointed special agent for Massachusetts, Maine and New Hampshire.

Hoppe Named Special Agent

William A. Hoppe has been appointed special agent of New Amsterdam Casualty by H. N. Douglass, resident manager in Chicago. Mr. Hoppe will travel out of the Chicago branch office. H. M. Ohlund is the Illinois state agent. Mr. Hoppe for the last several years has been in charge of the insurance department of a north side Chicago agency.

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Special Agents:

FOR IOWA.....	Frank B. Gustafson
NORTHERN ILLINOIS.....	D. A. LaShelle
SOUTHERN ILLINOIS.....	R. H. Miller

Service Office for Chicago—Home Owners Agency

At one time he was with the payroll department of Globe Indemnity in Chicago, then for five years or more was special agent in Illinois of the Indemnity of North America. Subsequently for seven years he was in business for himself on the north side of Chicago operating a real estate and insurance agency.

Klinefelter Goes to Richmond

Arthur Klinefelter has been appointed special agent of the Employers Liability for southeastern Virginia with headquarters in Richmond, succeeding A. D. Fonville, transferred to North Carolina with headquarters at Raleigh. Mr. Klinefelter was formerly with the Baltimore office of the Employers. He is a graduate of the University of Virginia.

Val White Assistant Secretary

Val White, manager of the fidelity department of American Mutual Liability, has been elected an assistant secretary of the company. He went with American Mutual Liability in 1937, previously having been with National Surety and Massachusetts Bonding in New York.

C. M. Pratt Aids Crawford

C. M. Pratt will serve as assistant to Armstrong Crawford, who is now in charge of casualty operations for General Casualty of Seattle throughout the middlewest, with headquarters in St. Louis. Mr. Pratt was located in the Oregon service office of General Casualty for some time and recently was transferred to St. Louis in the program to expand casualty operations in the middlewest.

COMPENSATION

Accident Frequency May Increase with Payroll Gain

NEW YORK—While compensation writing companies have experienced little result from the upswing in business activity as yet, the expectation is that there will be an increase in payrolls in industries benefiting from war orders. Whether the gain in employment may not be accompanied by an increase in accident frequency is a question of interest. With men working at top speed and with the engagement of many new and green hands, there may be a distinct increase in the number of accidents. Such was the experience during the period of the world war.

Compensation Rates Are Cut in D. of C. and Florida

NEW YORK—Revised compensation rates, prepared by the National Council, will become effective in the District of Columbia and in Florida July 1. In the former territory there is an average over-all decrease of 2.6 percent. The revised Florida rates represent a decrease of about 4 percent, and apply to outstanding as well as to new business and renewals.

N. J. Bill on Mutual Fund

TRENTON, N. J.—A bill which "permits suspension of contribution to the workmen's compensation mutual fund, when the fund, less liabilities, exceeds 5 percent of loss reserves of all mutual carriers" has been passed by the assembly.

Insurance Wages \$930,000,000

Employees in the insurance business were paid \$930,000,000 in 1939, according to the "Survey of Current Business." This is 94.5 percent of the 1929 figure and the best year since 1929 with the exception of 1937 when the total was 95.1 percent of the 1929 income.

FIDELITY AND SURETY

Frank Surety Discussion at Dinner for Gilkey

NEW YORK—The dinner of surety executives for R. R. Gilkey upon his retirement as secretary of the Surety Association of America, after 28 years service, was most enjoyable. There was an informal atmosphere and a frank discussion took place of conditions affecting the business.

There were no set speeches. A. F. Lairens, president of American Surety, who acted as master of ceremonies, placed a time limit of three minutes upon each speaker except E. C. Lunt, vice-president of Great American Indemnity, who presented a scroll to Mr. Gilkey.

Those responding to the call included Paul Rutherford, president of Hartford Accident; W. M. Tomlins, Jr., vice-president American Surety; Hale Anderson, vice-president Fidelity & Casualty; R. S. Hart, vice-president Fidelity & Deposit; Vincent Cullen, president, and E. M. Allen, executive vice-president National Surety; E. J. Bond, Jr., president Maryland Casualty; G. W. Berry, vice-president Massachusetts Bonding; T. H. Marshall, vice-president United States Fidelity & Guaranty; A. R. Sexton, secretary Aetna Casualty, and Colonel Bowie, counsel Fidelity & Deposit.

The Surety Association of America was launched in 1908, coincident with the formation of the Tower Rating Bureau, the scope of each organization's activities being enunciated by Edward Gans, then counsel of Fidelity & Deposit.

The first president of the association was the late H. H. Stryker, then chief executive of American Bonding, and subsequently president of First Reinsurance. After serving three years Mr. Stryker resigned, and the office of president was abolished, that of secretary being created in its stead. Mr. Gilkey, then and for a number of years previous manager and attorney at Chicago for American Surety, accepted the position, which he continued to hold through the succeeding 28 years.

Lloyds Bank Bond Broadened

London Lloyds has made a number of broadening changes in its 1940 edition of bankers blanket bond, H.A.N. (c), which is the form most commonly carried by American banks and which competes with Form No. 8 Revised of American surety companies. The most important change is in the forgery section. The Lloyds form, similar to the American forms, covered losses due to transferring or paying funds or establishing credit on the face of forged or altered written instructions or advices from any customer or banking institution, except telegraphic advices. This exception of telegraphic advices has now been eliminated. Prior to this change, some Lloyds bonds had been endorsed to provide that telegraphic advices should be covered if they were in code or if some identifying word or symbol was used.

The other changes made in the Lloyds form mainly bring it into line with changes made in American forms last year.

Navy Hangar Bids Opened

R. E. McKee of Los Angeles, with a bid of \$1,149,000, was low bidder for the construction of hangars for landplanes at the Alameda, Cal., air field, when the navy department opened bids for the project in Washington, D. C. The Los Angeles office of the Glens Falls Indemnity originated the bond and will write the payment and performance bond when the contract is awarded.

The Surety Association of Portland, Ore., held its annual outing at the Alderwood Country Club, with golf in the afternoon and dinner in the evening.

Surety Men Offer Contract Information Service to U. S.

The Surety Association of America, at a full meeting in New York, adopted a resolution placing the information and reporting resources of the member companies at the service of the federal government in connection with the defense program. The resolution points out that the member companies possess

large funds of information regarding the responsibility, capacity and performance records of contractors. Under the resolution, the companies offer to the government all of the information they possess or can obtain through their staffs or the Bureau of Contract Information, to assist the government in a sound, economical and speedy performance of its tasks. This information, the association believes, should be of importance to the government in protecting it against loss of time and money in rushing the huge emergency program to completion. The offer holds whether bond business is involved or not.

CASUALTY PERSONALS

A 30-year service pin was presented to W. C. Cartinhour, vice-president and secretary of the Provident Life & Accident, by President R. J. MacLellan at a luncheon in Chattanooga. A. W. Chambliss, vice-president of the Provident, presented Mr. Cartinhour a silver platter suitably inscribed, as a gift of the company.

At the time Mr. Cartinhour joined the company, President MacLellan said, the Provident operated in only two states.

Since that time it has expanded into 35 states with agencies from coast to coast.

Harry H. Cleaveland, president and manager of Bituminous Casualty, received an LL.D. degree from Knox College, Galesburg, Ill., at the 95th commencement of the institution from which he was graduated 50 years ago. He was honored for his career of public service in his city and state, being a former director of the state department of public works and buildings, former president of

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HOME OFFICE

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the Rock Island school board and former vice-president of the Illinois chamber of commerce. Prior to the commencement exercises Mr. and Mrs. Cleaveland entertained members of their class of 1890 at a luncheon.

DEATHS

Seymour E. Williams, assistant secretary of Hartford Accident, died at the Hartford Hospital after a brief illness. He was born in Hartford in 1873. He was elected assistant secretary in 1936.

When he joined Hartford Accident in 1914, he organized the inspection and engineering service and since 1922 had been in charge of the compensation and liability department.

J. Oscar Stacy, special agent of the Freeport Motor Casualty in Illinois, is mourning the death of his mother at the age of 74 at her home in Olney, Ill.

Samuel M. Goodman, 82, former secretary-treasurer of the Ohio Casualty, died at his home in Hamilton, O.

His death follows rather closely that of B. D. Lecklider, president. Mr. Goodman was a leader in the industrial and civic life of Hamilton and was one of the founders of the American Rolling Mill Co.

The Goodman family has been continuously associated with the insurance business over a period of 117 years. Timothy S. Goodman, Mr. Goodman's grandfather, a native of Hartford, was appointed Cincinnati agent for Aetna Fire in 1823, perhaps the first agency appointment in the west, as agents are known today, and the beginning of what was to be the Aetna's western department at Cincinnati under J. B. Bennett in later years. Timothy Goodman was born in 1778 and died in 1868. He was in the banking business at the time of his appointment for Aetna Fire, which had appointed its first agent in 1820 at Providence.

Mr. Goodman's son, also named Timothy Seymour, was born in 1824 and died in 1906. The latter was a clergyman and an officer of one of the early Cincinnati insurance companies. S. M. Goodman, who was his son has a son Timothy Seymour, who resides in Cincinnati and who was elected a director of Ohio Casualty to fill Mr. Lecklider's place.

J. C. Stewart, superintendent of agencies New Century Casualty, Chicago, died after suffering a fracture of his fifth and sixth vertebra while swimming in Lake Michigan. Thinking the water was deeper than it was, he took a running dive and struck the bottom. The four days before he died he was in the St. Francis Hospital, Evanston.

Mr. Stewart was born in Chicago 41 years ago and as a boy helped his widowed mother by selling newspapers. He worked in California for two and a half years and returned to Chicago to take a job with R. H. Beard & Co. Before going with New Century Casualty he worked for Calumet Casualty. He served in the last war and was a member of the American Legion and the Veterans of Foreign Wars. Mr. Stewart was a great follower of athletics, being very active in all types of sports. He was very well liked by his fellow workers and had a great number of friends in the Insurance Exchange building.

Educational Project in Cal.

SAN FRANCISCO—Casualty fieldmen of northern California are now organizing an association for educational purposes in their own ranks and among organized agents and brokers. A temporary committee will meet early next month to complete details preparatory to a general meeting in September when permanent officers will be elected and a comprehensive educational program arranged.

Repatriation Indemnity Is New Form of Coverage

The New York office of Fred S. James & Co. has originated a new form of insurance coverage, known as "repatriation indemnity," which will be written for corporations and business concerns covering their agents and representatives stationed in foreign countries. The policy will provide reimbursement for medical and nursing attention in cases of sickness or accident, and where death occurs will pay the cost of bringing the body and the family back to the United States. An endorsement may be secured to pay the cost of sending a successor to the vacated post. The contract is written by an American stock company. It will be written through the Fred S. James & Co. offices in Chicago, New York, Pittsburgh, Minneapolis and San Francisco.

Assured Estimates Expense

This is a new policy form that is flexible. The assured is permitted to make his own estimate of what his expense in this connection might be. The estimate will be based on the number of such foreign offices, distances and various other factors.

The rates are variable, being predicted on such changing factors as the number of employees in the firm to be covered, whether they are married or single, the distance of their post from their home in this country, number of persons in their family, etc. It is estimated \$1,000 to \$1,500 would be required to repatriate the single man or woman and \$2,500 to \$3,500 for the married man whose family is with him abroad.

The premium rates vary from \$1 to \$2 per \$100 of coverage, and the endorsement to send a successor can be added for an extra premium of about that amount.

In case of a number of employees to be covered, a schedule must be filed giving the personal data. The contract was designed primarily for business firms having a number of representatives abroad, but it will be issued for as few as one individual.

Hodges Makes Safety Plea

NEW YORK—Addressing the New York advisory board of the American Mutual Liability, President C. E. Hodges, Jr., warned against industry becoming so absorbed in the manufacture of war material and allied products as to neglect the safety of employees. He urged that exceptional care be devoted to accident prevention.

Philadelphia Officials Broadcast

PHILADELPHIA—The important part that insurance has played in the development of Philadelphia and the city's contribution to the insurance business were brought out by H. P. Stellwagen, vice-president Indemnity of North America, and Malcolm Adam, vice-president Penn Mutual Life, in two broadcasts sponsored by the chamber of commerce.

Boston Claim Group's Outing

The annual outing and dinner of the Boston Life & Accident Claim Association was held at the Wilbraham (Mass.) Country Club, with 70 in attendance. The luncheon was held at the Monarch Life home office in Springfield, followed by golf in the afternoon and dinner at night. President W. K. Worcester of the association and Commissioner Harrington were speakers at the dinner.

Oklahoma Auto Deviations Upheld

OKLAHOMA CITY—The Oklahoma insurance board has upheld its former approval of deviations in automobile insurance rates by the American Automobile, Utilities of St. Louis, Equity Mutual of Kansas City and Connecticut Indemnity. Granting of deviations in rates for these companies had

been challenged by other companies and agents writing the same insurance coverage in the state.

Chicago Committee Holds Study of Acquisition Rules

A step by step discussion and study of the Chicago acquisition cost rules for surety and casualty was conducted by the governing committee of the Chicago acquisition cost conferences there in an all-day session this week. No formal action was taken. The members with G. E. Turner, administrator of the conferences, studied charts as well, and

reviewed the whole Chicago situation with a view of redrafting the rules to present to the council of Chicago offices and also to company officials in the east for approval.

Goetz Elected Treasurer

William Goetz has been elected treasurer of the American Surety. He has been with the company 37 years, having entered its employ as a premium collector in the treasurer's office in 1903. He was appointed cashier in 1911, assistant treasurer in 1928, and treasurer of the New York Casualty, a subsidiary of the American Surety, in 1938.

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(CONTINUED FROM PAGE 17)

ferring to the company or bureau for an individual rate.

3. Exclusion of products liability, contractual liability, or property damage would be optional with the insured.

4. Comprehensive miscellaneous liability coverage would be on the basis of all coverage except products liability, contractual liability and property damage but no other exclusions would be permitted.

5. It is proposed in connection with miscellaneous liability coverage that there would be a 1 percent increase to cover losses of the type which would not usually be discovered until a loss occurs. This 1 percent figure is not actuarially determined but serves to distinguish between comprehensive and non-comprehensive and would take care of the possibility of any complaint about discrimination against those not buying the comprehensive feature.

Minimum Comprehensive Premium

6. Comprehensive would not be issued except where the standard limits would produce a premium of \$100 on bodily injury and \$50 for property damage. If some of the coverages were in effect in other companies the comprehensive coverage could be arranged and the premium pro-rated to pick up the additional coverages on their expiration dates.

7. Contractual liability could be included but only for regular types of contracts, such as leases, railroad sidings, and the like, the provision being that subsequent similar agreements would be covered automatically.

The only two points on which the two bureaus did not agree were on use of the single clause as well as the schedule form and on the writing of three-year term policies as well as one-year policies. The Mutual Bureau, Mr. Leslie said, wants the schedule form to be the only one used, and have it made comprehensive by adding a provision to cover unknown hazards. The National Bureau want either this type or the single clause type to be used optionally.

Mutuals Want No Term Policies

The Mutual Bureau wants only one-year policies whereas the National Bureau desires a three-year basis as well, since some policies are already on a three-year basis and experience shows that this type is usually preferred by the insured. On the Pacific Coast, where development has been the most rapid, the big majority is on a three-year basis, Mr. Leslie said. He said that the entire matter of proposed forms for comprehensive general liability and automobile had been submitted to the New York department, which suggested that the two bureaus work out advisory forms as they have already done in the automobile field.

Discussing workmen's compensation, Mr. Leslie said that while the rates just approved by the New York department do not reflect the grading of premiums in accordance with size of risks, the department has agreed in principle with what the bureau seeks and it is very important that the department has gone on record, since presumably this will mean that graded premiums will be permitted in the future. Producers are swinging over to the side of graded premiums, he said, since they realize that if the rate contains a factor for service which is not worth what is being charged for it the assured will get the service elsewhere at lower cost. Mr. Leslie expressed the hope that the New York department's opinion will be helpful in other jurisdictions.

Mr. Leslie said that in the field of boiler and machinery efforts have been made to grade premiums by the size of risks and he expected that by the middle of July the bureau would be hold-

ing conferences with the producers on this subject.

Work is also being done on the products liability policy, which it is hoped will be out by fall, he said. Changes include revision in the general rate level to lower minimum premiums, changes in classification and phraseology to give broader coverage for the money.

Other speakers were J. G. Goetz, managing director, and A. M. Schmidt, president Risk Research Institute.

Opportunities Many in Bonding Business

(CONTINUED FROM PAGE 19)

have fidelity bonds, make up a list of good prospects and go after them. He stated that the agent who knows casualty lines but hasn't written bonds will find fidelity the best one to start with.

Good Time to Work

As this is a presidential year it means many and large official bonds of all kinds. The time to start to work on them, he said, is right away. Contract bond premiums on big public works are bigger now than ever before. Throughout the year much road work will be done. Private work requiring bonds, he said, is on the upgrade.

He interjected an underwriting thought. He acknowledged that production is the first thing in any business but the agent only gets paid for the business actually accepted. He said that agents are losing thousands of dollars annually in premiums because submissions of risks are not clear enough for an underwriter to form a definite opinion and make a prompt reply. He should give his company all the facts and in an understandable form.

Much Construction Not Bonded

Mr. Welton made the statement that 80 percent of the construction work in this country is not bonded. There is always business to be had, he said, through systematic cultivation of attorneys and such court attaches as have some voice in the placing of judicial and court bonds.

He enumerated some of the factors that should get agents interested in the bonding business:

1. Opportunities to write this business all around you in small towns as well as large cities.
2. It is a high commission business.
3. Many types of bonds renew year after year.
4. There are many large bond premiums and surprisingly often they are found in small cities.
5. A lot of this business particularly in fidelity lines is not originally competitive. You can show a man he needs the protection and then sell it to him.

Commissioner Caminetti has approved the name, **Motor Indemnity & Inter-Insurance Exchange**, for a new reciprocal being organized in Los Angeles.



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C. W. Hobbs Reports to Commissioners

(CONTINUED FROM PAGE 17)

in determining the experience modification than under the present plan. The change is not radical and he contends is in the interest of sound principle.

A test was conducted in Georgia, Massachusetts and New York to determine the results under the new plan as compared with the old. In Georgia 239 risks received a credit under both plans, 160 received a debit under both plans, 12 that had a credit under the present plan received debits under the new plan, and 25 that had a debit under the present plan received credit under the new plan.

In New York, 903 risks received credits under both plans; 524 received debits under both; 72 that had credits under the present plan had debits under the new, and 38 having debits under the present plan had credits under the new. Four produced a neutral modification under the new plan. In general, he said, credits and debits under the present plan would remain credits and debits under the new with some modification as to amount.

Retrospective Rating

Mr. Hobbs gave a discussion of the retrospective rating plan. He observed that some states require the extension of the plan to risks of less than \$5,000 standard premium. The application of the plan to risks of smaller size entails a disproportionate risk to the assured, he declared. Out of 19 such risks, 17 were entitled to the minimum retrospective premium. One received a retrospective rate between minimum and standard, and one went to maximum. He said there is a certain advantage of having the plan applicable to small risks since risks which find it difficult to get coverage at standard rates can get coverage on the retrospective basis, without recourse to the rejected risk plan.

One effect of the plan has been to "stimulate the imagination of underwriters in the formation of underwriting schemes to cut a few corners and get around the regulatory laws." He gave some examples. For instance the assured has a risk with plants in three different states, two of which have compensation rate regulation, one of which does not. The insurer issues two policies under two plans in the regulated states, covering each on the retrospective basis in conformity with the rules. It issues a third policy covering the plan in the non-regulated state, with an endorsement giving a retrospective adjustment on the experience of all three plans on a scale more liberal than that approved in the two regulated states. This makes compliance with law in the two regulated states purely technical, he observed.

Another example is that of the assured who has a risk in a state which regulates compensation but not the rates for other casualty lines. The insurer issues a compensation policy in proper form and a second policy covering other casualty lines with an endorsement promising a retrospective adjustment on all lines, including compensation. Here the effect is to make compliance with the compensation rating law purely technical.

Mr. Hobbs asserted that rating laws ought to be observed in letter and in spirit and that attempts of this kind which seem thus far sporadic ought to be discontinued.

Cool Toward New Scheme

NEW YORK—Efforts to arouse trust companies and trust departments of banks to the advisability of insuring against liability for negligence in handling trust funds have so far not met with much response. A brokerage firm here has placed the matter before a number of representative banks but almost without exception they feel that the hazard is too remote to warrant insurance. One firm of investment counsel has obtained

this type of coverage from an American company but the company does not seek other cases, feeling that the coverage is something of an experiment. Companies generally are cool to the idea, fearing adverse selection and possibly heavy losses.

Hewitt Launches New Company

The First American Assurance has been chartered in Nevada and will begin writing accident and health business July 1, with home office in Reno.

Prentice Hewitt, who has just resigned as vice-president and Pacific coast manager of the American States, is president and manager.

M. L. Hewitt will be secretary. While the company will confine itself at present to Nevada, President Hewitt says plans are under consideration to extend its operations to other states as soon as practicable.

The American States has promoted John Hennington, who has been in the Los Angeles office for the past two years, to assistant secretary and manager of the Pacific Coast department.

Casualty Managers Outing

The Casualty Managers Association of Chicago will hold its annual golf outing July 23 at North Shore Country Club as guests of John Pabst, manager mid-western division office of Fireman's Fund Indemnity. Mr. Pabst is in charge of arrangements and will be the toastmaster and distribute prizes at a dinner. This will be an all day affair.

Bar Group in Credit Probe

RICHMOND—A committee of the Virginia state bar association on the unauthorized practice of law met here to determine whether or not some of the operations of credit insurance companies constitute unauthorized practice of law in Virginia. It was announced that the committee will later draft a report on its findings and release it for publication.

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Must Be Able to Determine Needs, Then Sell Coverage

CLINTON, N. J.—At the closing session of the rural agents forum sponsored here by the New Jersey Association of Underwriters, L. E. Kietzman, secretary American of Newark, gave a number of interesting pointers on selling to rural communities.

"An agent services his client in a dual capacity; he serves in a fiduciary capacity as an insurance counsellor and as a salesman in inducing his client to buy the protection needed," Mr. Kietzman pointed out. "This responsibility makes it necessary for the agent to determine the insurance requirements of his client; equip himself with the necessary knowledge of all lines of insurance and to learn the selling technique which will enable him to convince his client to buy adequate insurance. Every agent who intends to gain a livelihood in his occupation today must clearly visualize these requirements to be successful.

Must Be Able to Sell

"The most important factor in this progress is a knowledge of salesmanship, because the accessory lines of insurance must be sold. Some of the best insurance salesmen in the past have been developed in rural territories. This is probably due to the fact that rural agents had to be salesmen because of their limited prospects premiumwise in the smaller communities, plus the fact that people in the rural communities are more careful in the way they spend their money than they are in the urban centers. It is important, of course, for an insurance salesman to possess a knowledge of the policies and forms available. This does not mean that he must have a detailed technical knowledge but he must know enough about each type of insurance to explain its essentials in fitting it to the customer's requirements."

Needs Up to Date Protection

It is no longer necessary to be an expert to sell the consequential and accessory coverages. For example, the new business interruption form, for insuring the earnings of a mercantile risk, is readily understandable, Mr. Kietzman explained. The worksheet used to determine the proper amount of insurance is simple. It is not difficult to show the business man in any place that the same fire or other peril which destroys physical property will also stop earnings in whole or in part. The pro-

tection afforded by a business interruption policy is therefore just as necessary as insurance on buildings and contents.

The modern property owner needs up to date protection; he will buy complete protection if it is intelligently presented. A knowledge of the fundamentals plus salesmanship will do the job. "You can sell policies in a hit or miss fashion but that is not the way to do it successfully. Modern insurance needs modern selling methods because competition for the income dollar in

your town is not limited to insurance agents. Selling today requires systematic application. The agent who is using the insurance analysis idea has found it practical and profitable. He is constantly increasing his commission volume day in and day out; furthermore, the business he sells in this way stays sold and the cost of collection and renewal is materially reduced."

Selling a comprehensive insurance program in a methodical way, Mr. Kietzman said, requires untiring energy and a nimble mind, but the results obtained by this system generate the enthusiasm which every successful salesman needs. By placing more emphasis on enterprise, the business of stock insurance will continue to be the backbone of America's private enterprise.

Stewart Tells How New Agents Can Get Prospects

A lack of prospects who can be seen under proper conditions and the absence of a systematic prospecting program are basically the problems involved in agent turnover, M. M. Stewart, Pennsylvania director for the State Farm companies of Bloomington, Ill., declared at the annual convention held in Chicago.

Generally the new agent calls at the start on his nearest friends and relatives. After that he is overboard on cold canvass, Mr. Stewart said. "Have you ever heard of that and experienced it? Of course you have! And how many of your new men have you seen wilt under it and soon hit for home or the movies? Prospects are everywhere and he knows none to see. The problem is how to bring him, be he a new recruit or veteran, into contact with prospects."

About seven years ago Mr. Stewart suggested that automobile application blanks have a section for securing references from new assured. This was done but it did not work well because it was not mandatory. The average agent, after having made a sale, is fearful of a flareback and a loss of the sale if he requests these names under the guise of references. Thus he hurries away with the application just as soon as he has it signed and forgets about getting prospects.

Ask Assured for Leads

From this beginning Mr. Stewart developed a plan of having the agent when delivering a policy request the names of at least three persons as prospects. This system automatically required certain action by an agent each time he received

a policy to deliver. Thus it was used to motivate just as regularly as the production line conveyor in an automobile factory.

The approach is similar to the following:

"Mr. Jones, it is a pleasure to deliver this policy and to welcome you into that large group of selected careful driver policyholders. All of our better risks come mainly from those suggested by our policyholders. For instance, we heard of you from an acquaintance of yours who is himself one of our policyholders.

"And so it goes, every policyholder suggests the names of three or more persons known to him to be careful drivers and good citizens. Careful drivers, you know, have fewer accidents and therefore less losses paid, resulting in continued low cost rates. And that, I am certain, was one of the things that interested you in our proposition. Now, Mr. Jones, who is your neighbor next door or across the street? Does he have a car? How about one or two of the men or women at the office with whom you are employed? With whom do you play golf?"

Mr. Stewart said generally it is fatal to ask for names. Better results are obtained by confining the prospect's thinking to certain minor groups and he himself will then suggest the names of prospects.

Resells Policyholder

"Note that we gave the assured a sales talk on policyholder selection," Mr. Stewart said, "and that his present low rates were dependent upon continued proper selection of risks."

The agent then sends the names and addresses of the newly acquired prospects back to the state office, which in turn sends a "thank you" letter to the assured expressing appreciation for his cooperation. Also a pre-approach letter is sent to each of the prospects and enclosed with the letter is some descriptive literature. The real strength of the pre-approach letters is that they have recorded on them the name, address and policy number of the assured who suggested the prospect and the name of the agent who is to call. The letters have already shown remarkable results in paving the way for the coming call of the agent. They have been splendid door openers and have given the representatives interviews under the most friendly and favorable conditions.

"You would be surprised how many times the prospect has gotten in touch

Hoodoo Day Scheduled for Sept. 13

The next Hoodoo Day drive which brings in over \$500,000 in new accident and health premiums each campaign will be staged Friday, Sept. 13, by the leading accident and health writing companies in cooperation with The Accident & Health Review, a NATIONAL UNDERWRITER publication.

Past results have shown that the Hoodoo Day approach gets sales results for agents representing companies of all types—life, specialty and multiple line casualty. Every person is superstitious to some extent and the promotional material which is sent to prospects calls attention to the desirability of making "Hoodoo Day your lucky day by buying an accident and health insurance policy."

Much of the success of the Hoodoo Day drives in the past is the result of carefully planned campaigns by agents who participate. The "26-13" sales plan provides for two mailings to 26 prospects followed by personal calls. The objective is to write 13 applications to qualify for the famous Black Cat Club or to write 7 and be a Jinx Chaser. Membership certificates and cards are awarded qualifiers and the names of Black Cat Club members are published in The Accident & Health Review.

New promotional material is now ready and agents can secure "26-13" Hoodoo Day Sales Kits from any company writing accident and health or from The Accident & Health Review, 175 W. Jackson Blvd., Chicago.

Novel Collection Plan Gets Results and Makes Friends

H. J. Heiman of the Al Heiman & Co. agency, Colcord building, Oklahoma City, has devised a new plan for speeding up collections. Instead of distributing novelties, Mr. Heiman distributes inexpensive gifts to assured who pay their premiums within 10 days.

Mr. Heiman has been using a novelty flashlight line, giving his clients a choice of several different styles, including some which appeal to children. A circular attached to each policy, renewal certificate, payroll audit billing, additional premium endorsement, etc., going out of the office, tells the assured that if the premium is paid on or before a date shown he may have his choice of any of the gifts illustrated.

Assured Like Gifts

Results were exceptionally good, Mr. Heiman said. Many assured who had never before visited his office came to pay their bills and receive the gifts and at that time discussed other lines of insurance. People who signed the request for a novelty were visited personally with the gift and other sales resulted. Not taken policies were substantially reduced and business associates of Mr. Heiman's assured voluntarily placed business with him. The fact that a number of gifts were available induced many persons to place other lines with the Heiman office, to get an extra gadget for their wives and children.

Before adopting this plan, Mr. Heiman referred the matter to an attorney and was assured that it was entirely within anti-rebating laws. The attorney said he could not publicly advertise that gifts or premiums would be given to assured with every policy, but he could distribute them to assured in appreciation of their business, as long as it was not in consideration of getting it.

with the recommending assured and what yeoman work these policyholders have done, in fact many times practically selling the prospect before the agent ever arrived."

Has 39 Percent Prospect Leads

The records of Mr. Stewart's office show that in 1939, 8,598 policies were mailed to agents from which prospect leads were secured, amounting to 3,373 or 39 percent. There were 346 policyholders or 4 percent who refused to give names. On the other hand, the agents failed to return some 4,860 or 57 percent. In other words, 10,508 prospects were received from 3,373 policyholders, while more than 15,700 prospects were not secured from 4,860 policyholders because of agents' carelessness, indifference or lack of cooperation.

"In other words, you can lead a horse to water, but you can't always make him drink," Mr. Stewart said. "Like any other new sales tool, it takes time and persistency to sell to those who will benefit most."

During his talk Mr. Stewart quoted from time to time from sections relating to prospecting found in the Diamond Life Bulletins, a publication of THE NATIONAL UNDERWRITER.

Is it true or false that an additional amount is charged to extend coverage to apply when more than eight persons are in the truck while it is being used outside the assured's business operations. True.

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talking over the telephone to custom-
ers, has never in the history of the
world run any business away from an
agency. I do not suggest the 'oomph'

of the glamour gal, but the 'oomph' of
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MIDDLE WESTERN STATES

Kansas Short Course Proves Successful

LAWRENCE, KAN.—The first annual short insurance course held at the University of Kansas, sponsored jointly by the Kansas Association of Insurance Agents and the university's extension division, was a decided success with a registration of 137 from 34 different cities. About 20 company men were in attendance.

Close attention was given all 14 of the one hour lectures on the program, each of which was followed by a written true and false quiz. Average grades on the various topics were: Compensation, 94 percent; surveys, 92 percent; burglary, 90 percent; inland marine, 85 percent; bonds, 84 percent; automobile, 83 percent; history of insurance, 81 percent; abstract schedule, 74 percent; fire policy contract, 68 percent, and farm insurance, 66 percent.

Secretary Wade Patton conducted a conference for local boards attended by representatives of five cities who were interested in forming new boards.

H. J. Weltmer Presides

Henry J. Weltmer, Jr., Hiawatha, general chairman, presided at all sessions, assisted by Gene Glahn, Lawrence, and several Lawrence agents. Harold G. Ingham, director, and Lee Gemmell of the extension department and Dean Frank T. Stockton of the school of business gave valuable assistance.

"Salesmanship" was discussed by Herbert Hedges, Kansas City general agent Equitable of Iowa; "Surveys and How to Use Them" and "Business Interruption Insurance," George Owens, executive special agent New York Underwriters, Chicago; "Why Write Inland Marine Insurance," Frank M. Callahan, inland marine superintendent Phoenix of Hartford, Oklahoma City; automobile public liability and property damage, President Ray B. Duboc, Western companies, Fort Scott; "Auto Comprehensive and Collision" by George L. Hampton, Jr., Wichita, state agent Phoenix of Hartford, and court and fidelity bonds, W. R. Evans, Kansas City, manager American Surety. The Aetna salesmanship film "Word Magic" was well received. The lecture on "History of Insurance," by Professor Leonard Axe was enlightening. Curtman Maupin, Topeka, Home state agent, lectured on "Fire Policy, Forms and Endorsements" at two sessions.

Many of the speakers stressed opportunities for increasing volume with a better understanding of the coverage under their discussion. Although P. L. and P. D. is the largest premium producer, it still is the largest undeveloped field for increasing premium income, Mr. Duboc pointed out. He suggested that this coverage should be changed to cover the driver individually and not the automobile as is now the coverage.

U. & O. Coverage Needed

Mr. Callahan illustrated cases proving that U. & O. losses greatly exceed property losses in large numbers of claims. Smaller business men do not carry U. & O. to any degree as do the big businesses because of the failure of agents to see that every type of business is properly informed on this coverage "designed, if properly written, to leave the assured in the same financial condition had he not suffered the loss." In a town of 5,000 it is not unusual to find that four out of five calls will reveal that the prospect had never heard of business interruption protection, he said.

Only 10 percent of insurable fidelity risks are covered, Mr. Evans stated. He urged concentration of effort on fidelity bonds for securing new business as uncovered fidelity losses are greatly in excess of fire losses. J. M. Downey, Aetna Casualty, clarified workmen's compensation, illustrating the need for coverage and possibilities for adding to premiums in soliciting this coverage.

V. G. Henry, president Wichita Insurors, took a special interest in the school, getting additional pointers for organization of such a school for the Wichita agents in connection with the extension department of Wichita University. A school committee has been working on plans for some time, being headed by B. J. Weldon, Dulaney, Johnston & Priest.

Valparaiso Board Holds an Enjoyable Outing

The Valparaiso, Ind., Insurance Board held its ninth annual field day in one of the largest and most successful occasions that it has staged. The events were participated in by more than 140 insurance people. Field men started the day by visiting agencies. At noon all went to the Valparaiso Country Club for lunch. A golf tournament was staged in the afternoon. The dinner in the evening was held at the Blackhawk Beach Hotel, on the shores of Flint Lake. Here the prizes were awarded. There were two classes of visitors, one called the "Old Timers Club," the membership consisting of men who have attended five or more field day events of the Valparaiso Board. There were 12 men present.

Golf prizes were awarded to Walter Harvey, Great American, Chicago; L. R. Swanson, Liverpool & London & Globe, South Bend; John Baker, Western Adjustment, Hammond, Ind.; John McCreary, American Automobile, Indianapolis; W. C. Teuter, Ohio Farmers, Indianapolis; J. R. Donohue, American States, Indianapolis; E. E. Olson, Western Adjustment, Gary; Jerry Hanselman, Western Adjustment, Gary; T. G. Dahl, Great American, Chicago; E. K. Dennis, Great American, Chicago; Alvin Bulau, Home, Indianapolis (high gross score).

The company group with largest representation present was the Hartford Fire, with 11 present for the day. Horseshoe contest winners were: G. L. Heinz, Springfield F. & M., Indianapolis; H. A. Smith, Northern N. Y., Indianapolis; George Armstrong, Landers & Landers, Indianapolis.

The door prize, a radio set for traveling, was won by David Prescott, of Massachusetts Bonding, Indianapolis.

Much Interest Shown in Michigan Educational Work

LANSING, MICH.—The Michigan Association of Insurance Agents has just completed a series of 32 regional educational meetings which attracted a total attendance of 1,279 agents. Most of the sessions were attended either by W. O. Hildebrand, secretary-manager, or C. F. Trager of Lansing, chairman of the education committee. Each generated such enthusiasm that those attending asked that another similar session be held.

Instructors were supplied by the Michigan Fire Underwriters Association, Casualty & Surety Executives As-

sociation of Michigan and Surety Association of Michigan.

More than 400 agents, solicitors and office employees now are taking the correspondence course co-sponsored by the association and the extension division of the University of Michigan and in many cities and towns local training schools are being conducted, based on the correspondence material. That the continuation of training classes by local boards in the wake of the short course sessions has been of value, Mr. Hildebrand noted, is proved by the experience of Kalamazoo, which is still holding regular weekly classes. Numerous requests are being received from other states for assistance in preparing educational programs along similar lines. The correspondence course, believed to be one of the most complete devised anywhere in the country, is to be copyrighted by the Michigan association.

The fall term of advanced instruction will start, Mr. Hildebrand announces, in connection with the annual meeting at the Book-Cadillac hotel, Detroit, Sept. 5-6, and will continue at Ann Arbor in October.

Committees Are Named for Iowa Agents' Annual Meet

DES MOINES—Preliminary arrangements for the annual meeting of the Iowa Association of Insurance Agents here Sept. 10-12, are being completed through organization of local committees.

B. C. Hopkins, first vice-president of the Des Moines association and past state president, is chairman of the general arrangements committee. Pearl Taylor, president of the local board, is vice-chairman. Other committee chairmen are: Golf, K. M. May; chamber of commerce, Arthur Brayton; publicity, Fred Olmsted; registration, Chester Ford; attendance, J. Smith; entertainment, Ted Flynn; hotel, Glen Wallace; finance, P. E. Jester; ladies, Mrs. B. C. Hopkins; reception, R. M. Evans.

The state association executive committee probably will meet here around July 7 to complete plans for the annual meeting.

The Hotel Fort Des Moines has been selected as headquarters.

Urges Contacting Legislators

MINNEAPOLIS—As filings for the next legislature got under way, Secretary Clyde Helm of the Insurance Federation of Minnesota urged all members to do "a little sound, constructive lobbying with your legislators before they go to St. Paul in January." He reviewed the steady and persistent trend toward state control of insurance.

"Isn't it worth while to take the trouble to make personal contacts with our lawmakers and offer them a constructive picture of our business?" he asked. "I think so."

Big Turnout at Rockford Day

About 148 company men turned out for the annual field day sponsored by the Rockford (Ill.) Board of Fire, Casualty & Surety Underwriters. Among guests introduced at the dinner were Lyle H. Gilt, president Illinois Association of Insurance Agents; J. O. Brown, supervisor of licenses, Illinois insurance department, and G. S. Rudell and Bruce Primm, investigators of the department; State Senator Charles Baker, E. C. Hunter, candidate for election to the legislature, and F. A. Wilgus, Rockford, chairman of the field day. Low gross prize winners were: Class A, Robert Whitchurch, American of Newark; class B, Churchill Bangs, Freeport; class C, L. S. Augsburger, Rockford agent; low net, J. R. Munro, Union of Indiana, in class A; J. E.

Murphy, Royal Indemnity, Chicago, in class B, and William Garrico, Rockford agent, class C. Messrs. Augsburger and Churchill and J. Lewis Cassell, state agent London Assurance, Chicago, recorded birdies.

Dubuque F. & M. Not Owner

The management of Dubuque Fire & Marine of Dubuque, Ia., states that other than agency representation, that company neither owned nor controlled the management of the Dubuque Fire & Marine Agency, Inc., St. Paul, which corporation recently instituted bankruptcy proceedings. It is pointed out that the ownership of this St. Paul agency from its inception was vested with the late J. Henry Harbeck, retired Wisconsin-Minnesota state agent of the Dubuque.

Meade Firm Enters Life Field

The Meade Investment Company of Topeka, which for 20 years has operated an important general insurance agency, has now added a life department to its facilities. It will represent National Reserve Life of which Holmes Meade, president of the Meade Investment Company, is president. The life department will be in charge of William H. Meissinger, who has been with Mutual Life in Topeka as supervisor and assistant. He graduated from Kansas State College in 1931.

Alexander to Conduct Courses

W. H. Alexander of M. L. Alexander & Co., will be instructor for the 1940-41 classes in fire insurance at the evening school of the University of Cincinnati, sponsored by the Cincinnati Fire Underwriters Association, beginning the latter part of September.

A graduate of Armour Institute with the degree of fire protection engineer, Mr. Alexander has been chairman of the committee on education of the Cincinnati association since 1932, and it was largely through his efforts that the University of Cincinnati inaugurated its insurance courses.

Joint Meeting in Toledo

TOLEDO, O.—Members of the Toledo Association of Insurance Agents and of the Toledo Association of Life Underwriters were guests at a meeting with the Toledo Real Estate Board and Toledo Fire Board to hear Wesley Clark, Washington, D. C., give a demonstration of the work he is doing to help raise morale and increase sales.

The agents' association is considering two amendments to its constitution and by-laws, which would cut registration fee and annual dues of solicitors from \$10 to \$1, and eliminate provision for registration cancellation.

Plan Minn. Regional Meetings

MINNEAPOLIS—Four agents' conferences in western and northwestern Minnesota will be conducted in July under the auspices of the Minnesota Association of Insurance Agents. These are about the only sections in Minnesota in which regional organizations have not been perfected and it is hoped these conferences will result in the formation of local and regional boards.

The tentative plans call for all-day meetings July 9 at Willmar; July 10, Fergus Falls; July 11, Crookston; July 12, Little Falls.

E. F. Westrum of Albert Lea is in general charge of the tour. Speakers will include Fred Dorman, Crum & Forster, who will discuss "Modern Fire Insurance Technique"; John McHale, New York Underwriters, "Securing Public Business"; H. L. Henry, Hartford Accident, "Automobile and Garage Liability"; R. A. Thompson, president

Minneapolis Underwriters Association, "Serving the Public."

A. A. Hirman, Rochester, chairman of the executive committee of the state association; Harry Levant, president, and Frank Preston, executive secretary, expect to accompany the speakers.

NEWS BRIEFS

The Insurance Women of Wichita held their final meeting of the year at the cabin of R. E. Israel, Jr., on the Little Arkansas river near Wichita.

With a cash balance on hand of about \$5,000, some members of the Insurance Exchange of St. Paul are urging that a dividend to members be declared. The proposal was advanced at the quarterly meeting but no action taken.

The Terre Haute (Ind.) Insurance Board has been incorporated. Incorporators are Carl N. Miller, Harry E. Fitch and John W. Dinkel.

The Hughes Insurance Company local agency at Columbus, O., has been pur-

chased by Charles G. McCune. The name of the agency will not be changed. It was established in 1900. Mr. McCune has been connected with the agency for five years.

George B. Nichols, formerly of the Auto-Owners of Lansing, addressed the Michigan 1752 Club on "Selling Mutual Insurance."

E. E. Schroder, Davenport, Ia., celebrated his 25th anniversary as a local agent with a dinner party with 24 guests in attendance. Mr. Schroder's son, Eugene, recently joined his father's firm.

C. W. Bean, state agent Niagara Fire, presented Waldo Hancock, Beverly, Kan., 94, an electric clock and desk set on his 50th anniversary of representation of the company. Mr. Hancock is believed to be the oldest agent operating his own agency by himself in Kansas and probably in the United States.

The agency in Belle Plaine, Ia., formerly conducted by Mrs. Lulu Montgomery has been sold to Earl F. Park.

IN THE SOUTHERN STATES

Loss Trend Warning Sounded at Texas Parley on Changes

AUSTIN, TEX.—A warning that fire insurance rate increases may soon be forthcoming if the constantly rising loss ratio is continued, was sounded by Commissioner Hall at a public hearing to consider revision of risks and rates. Drastic rate reductions have been made since 1936, but increases might be necessitated if the loss ratio climb continues, he said. "The people make the rates. The board of insurance commissioners merely calculates and promulgates them."

Although the average fire insurance rate in Texas last year was reduced from 99 to 91 cents, the lowest average Texas ever has had, Baine Satterfield, Austin, member of the fact-finding committee of the Texas Firemen & Fire Marshals' Association, contended, the underwriting profit for the past fire record period of 16.42 percent, a reduction of 18.56 percent from the previous period, was too high. The national average fire rate is 69 cents, or 22 cents less than the Texas average, he said, although the Texas loss ratio was .1 percent less than the national fire loss average.

Compares Rate Trend

Statistics to support a plea for rate reductions were presented by Ralph Soape of the Insurance Buyers Association, Dallas, who said the rate level in Texas is 32 percent higher than the nationwide average, being 85 percent of that 19 years ago while the national level is only 66 percent. In 19 years the Texas loss ratio has dropped 46 percent, against 20 percent for the nation, while the Texas rate level has dropped only 15 percent against 34 percent for the nation, he stated.

R. B. Cousins, Austin, speaking for the Texas Fire Prevention Association, brought up the question of whether or not sabotage is covered under the present extended coverage endorsement. He urged that a separate endorsement be provided covering vandalism and sabotage.

Mr. Cousins also urged that the rate on cotton be changed to a flat five cents a bale. He was opposed by John C. Thompson, secretary of the Texas Cotton Ginners Association, who contended that the industry should not be penalized for the sins of a few.

A 50 percent rate reduction on contents of dwellings was requested by Douglas Montgomery, Galveston, representing the Texas Association of Insur-

ance Agents. Mr. Cousins opposed it, declaring that the difficulty was not with the rate but with the feeling of the public that contents are not subject to as much danger as the building itself.

E. E. McAdams, Austin, secretary of the League of Texas Municipalities, spoke in behalf of a request for a credit in key rate where waterworks superintendent attends the Texas A. & M. College short course school each year. C. M. Malone, president Guardian Trust Company, Houston, presented a request for reduction in rates on dwellings within proper distances of fire hydrants outside city limits of protected cities and towns.

Association Files Petition

The Texas Fire Prevention Association filed a petition asking for a number of changes, including:

Adoption of new blanket form for stock, furniture, fixtures and machinery in the mercantile contents form; require name of mortgagee or trustee to be shown on mortgage clause; revision of petroleum properties schedule; new form of permit for alterations and repairs permit for sprinklered risks; correct non-concurrence when fallen building clause waiver is used; request to adopt tiering warranty for sprinklered risks, also requested by W. T. Blaine, Houston agent; request for rule for assuming coverage on property of visitors in home under household furniture item; make foundation exclusion clause uniform in both fire and windstorm co-insurance clauses; to amend Form 78 and 79 in simple explosion clause to cover damage from boiler explosions in buildings other than those insured under policies to which clause is attached; (also requested by D. S. Montgomery, chairman Texas Association of Insurance Agents' rates and forms committee), and request to make term rule on farm property same as for other risks.

S. C. Fire, Casualty Record for 1939

The South Carolina Association of Insurance Agents has prepared a tabulation of the experience of the fire and casualty companies in South Carolina last year.

The total premiums of fire companies amounted to \$8,496,468 divided between stock \$6,624,138 and mutual \$1,872,330. The total losses were \$3,254,710, divided stock \$2,798,635 and mutuals \$456,075.

The stock companies had an increase in premiums of \$972,147, as compared with the previous year, while the losses were less by \$90,478. The mutual companies had an increase in premiums of

Former President Dean of Alabama School



L. J. THOMAS

BIRMINGHAM, ALA.—L. J. Thomas of Dothan, former president of the Alabama Association of Insurance Agents, has been appointed dean of the first insurance school to be held at the University of Alabama at Tuscaloosa Aug. 14-17. President Charles Morris of Tuscaloosa, Dean Thomas and Secretary E. H. Moore of Birmingham are now busy selecting a faculty for the school.

Subjects selected for discussion include: "What is the matter with me?" the fire policy, forms and endorsements; automobile liability and property damage; automobile fire, theft and collision; fidelity bonds, general liability and property damage, principles of rating, farm coverage, use and occupancy, fiduciary and court bonds, fire policy forms and endorsements, burglary insurance, miscellaneous casualty lines, inland marine lines, workmen's compensation insurance, and a movie quiz. Certificates will be awarded to those taking the course.

\$446,062 and an increase in losses of \$49,618.

The total premiums of casualty companies for 1939 were \$5,760,504, divided stock \$4,226,217 and mutual \$1,494,287. The total losses were \$2,454,338, divided stock \$1,688,288 and mutual \$766,050.

The stock companies had a premium increase of \$532,151 and an increase in losses of \$139,565. The premiums of mutual companies increased \$19,935 and losses increased by \$117,621.

The premiums of fire companies exceeded those of any year in history except 1920. The casualty premiums were the largest of any year.

The fire companies writing more than \$100,000 in premiums are: Aetna Fire, \$278,436; Automobile, \$181,663; Fireman's Fund, \$100,666; Franklin Fire, \$258,160; General Exchange, \$468,420; Great American, \$116,125; Hartford, \$520,355; Home, \$851,776; North America, \$130,970; Springfield F. & M., \$183,502; Boston Manufacturers Mutual, \$103,327.

The casualty companies with \$100,000 in premiums or more included: Aetna Casualty, \$199,625; American Casualty, \$137,103; Fidelity & Casualty, \$123,815; General Accident, \$104,061; Glens Falls Indemnity, \$273,924; Hartford Acci-

dent, \$230,369; Maryland Casualty, \$173,993; Massachusetts Bonding, \$104,136; National Surety, \$152,915; Protective Life, \$189,224; Provident Life & Accident, \$352,533; Travelers, \$170,183; United States Casualty, \$236,102; U. S. F. & G., \$289,866; American Mutual Liability, \$579,710; Liberty Mutual, \$348,393; Lumbermen's Mutual Casualty, \$201,285; Mutual Boiler, \$109,449.

Favorable Action on La. Bill for Public Cover

The judiciary committee of the Louisiana house has voted a favorable report on a measure to require all public agencies to purchase insurance under the terms prescribed by the Louisiana Rating & Fire Prevention Bureau. This bill would change the existing law under which governmental agencies may award such contracts to the lowest bidder regardless of the rates established by the Louisiana rating bureau.

G. E. Gillis of New Orleans, representing the Louisiana Association of Insurance Agents, appeared before the committee advocating passage of the bill.

W. Irving Moss of the Hartwig Moss agency of New Orleans read a statement voicing opposition to the measure.

Under the existing law, Mr. Gillis said, most of the state business has gone to cut rate insurers. A tremendous portion of the business has gone to the Hartwig Moss agency, he declared. No bids were asked and none was required. Only six or eight companies will write cut rate insurance.

Mr. Moss contended that if the rating bureau tariff is made mandatory instead of advisory, the cost of state and municipal government will be increased. He contended that public property is entitled to lower rates than private property because it is devoid of moral hazard.

Butler Heads Coast Group

Raymond G. Butler was elected president of the Mississippi Coast Underwriters Association at a meeting in Gulfport, Miss. G. L. Rea, Bay St. Louis, was named vice-president; Laura G. Reeves, Gulfport, secretary. The next meeting will be held at Ocean Springs, Miss.

Must Get License for One Month

The Kentucky department has ruled that non-resident agents must become licensed and pay the full year's license fee of \$10 for the interim period to Aug. 1, when the new license year commences. The Kentucky legislature passed a measure for the licensing of non-resident agents that became effective June 12. The department received

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COAST

Many Headline Speakers for Oregon Agents' Meeting

an opinion from the attorney-general that despite the fact that there is only a short time existing between the licensing of non-residents at present and the renewal date of Aug. 1, the department has no alternative but to charge an additional fee.

Nashville Exchange Elects

NASHVILLE, TENN.—C. E. Byron was elected president of the Nashville Insurance Exchange at the annual meeting. He succeeds A. G. Bennett of Bennett & Corley. Other officers elected were: Vice-president, Vernon Sharp, Jr., Bransford, Sharp & Co.; secretary, Reeves Handley, Craig, Handley & Poole; directors, Albert Bennett, Horace England, Joseph Bandy and T. W. Wrenne. A proposal to change a section of the recently adopted constitution in reference to members handling brokered insurance was postponed until September.

Valued Policy Law "Unfair"

GREENWOOD, MISS.—Lieut. Gov. J. B. Snider, speaking at a convention of the Mississippi Municipal Officers Association, declared that the valued policy law has caused Mississippi cities to have the highest insurance rating in the United States. The other law he called "unfair" is the one permitting personal damage suits against municipalities "years after an alleged injury is suffered." He told the 250 municipal officers and representatives present that these laws are hindering the development of cities of the state.

Rename Chattanooga President

CHATTANOOGA, TENN.—H. W. Spencer of Spencer & Co., was reelected president of the Insurance Exchange of Chattanooga at its annual meeting. C. S. Colburn was reelected vice-president; R. R. Overby, secretary, and P. S. Daniel, reelected treasurer.

New directors are: H. D. Huffaker, Felix Diamond, W. C. Brown, N. S. Sloan and J. E. Taylor.

Texas Committees Named

Ben A. Calhoun of Houston, the new president of the Texas Association of Insurance Agents, has now appointed his committees on casualty and surety, on conference and on rates and forms. The membership of the casualty and surety committee remains the same as during the past year—A. H. Bevan, Houston, chairman; Melvin Miller, Fort Worth, and R. W. Thompson, Dallas.

Members of the conference committee are Frank C. Gittinger, San Antonio, Cruger T. Smith, Dallas, and John R. Young, Houston. On the rates and forms committee are K. C. Withers, Beaumont, chairman; T. C. Fitzhugh, Waco, and R. C. Franks, Bryan.

Defeat Augusta Tax Raise

AUGUSTA, GA.—When the city council raised the tax rate from \$2 to \$2.25, the life companies operating in the city employed counsel and fought the raise in rate with success. The tax on insurance premiums for all types of companies will remain at the old rate of \$2.

New Manager Takes Charge

NASHVILLE, TENN.—Robert T. Cawthon takes office as manager of the Tennessee Association of Insurance Agents July 1. Since the resignation of John D. Saint, the association office at 224 Vendome building has been in charge of Mrs. Annie Laura Rinks, who will continue as secretary to Mr. Cawthon. The Anderson-Cawthon agency at Franklin, owned by Mr. Cawthon, will be continued with Mrs. Cawthon in charge. Mr. Cawthon will commute to Nashville from Franklin.

J. H. Lumpkin, for 15 years in the field for the Commercial Union and Trezvant & Cochran, has been appointed manager of the insurance department of the A. E. Biard Company, San Antonio.

system, city water lines and a steel 100,000-gallon elevated tank. The property was all located on an unsprinkled platform elevated from three to 10 feet over tideflats, and it is thought possible that the fire gained headway under this platform until it was too large to be controlled by the sprinklers.

This is the second total loss in recent months in the Grays Harbor area, the Aberdeen Plywood Company's plant having been destroyed March 1 with about an \$800,000 loss.

Clallam County Agents Elect

PORT ANGELES, WASH.—At the annual meeting of the Clallam County Insurance Agents Association, Howard Van Brocklin was elected president; Dan Shearer, vice-president, and N. M. Sutherland, secretary-treasurer.

Cal. Premium Tax \$7,800,000

The preliminary report of Commissioner Caminetti of California indicates that the total premium tax paid by the companies this year will be in excess of \$7,800,000.

Bayly, Martin & Fay Issue

LOS ANGELES—Bayly, Martin & Fay, one of the larger brokerage firms of the city, has been dropped from membership in the Insurance Exchange of Los Angeles, as the result of failure to pay a fine of \$250 imposed for violation of the rules and regulations of the exchange. The alleged act which led up to the disciplinary action of the exchange was the writing of 13 policies on a large line in a non-board company without securing "relief" as provided by the rules. It is understood the firm has declared its intention to bring suit against the exchange in this matter.

The partners of Bayly, Martin & Fay are interested in the auto and household financing and loan business; are in control of West American Insurance Co., and are interested in the Golden State Automobile Club, which was organized recently by automobile dealers.

Reviews Responsibility Law

SEATTLE—Waldo Swenson, head of the financial responsibility division of the Washington department of licenses, addressed the King County Insurance Association, reviewing the requirements of the state's new responsibility law.

Oppose Colo. Intangible Tax

PUEBLO, COL.—Sam Jones, Jr., local agent here, has become chairman of a newly formed statewide committee which will work against enactment of a constitutional amendment providing for a tax on intangibles, which would include insurance policies.

The amendment, which will go on the ballot as a result of a petition signed by nearly 50,000 voters, would provide for a tax of not less than 5 percent or more than 10 percent on all intangible property, including insurance policies. The move is supported particularly by old age pension interests.

B. D. O. Committee at L. A.

LOS ANGELES—Charles E. Curry of the C. E. Colvin Los Angeles office, who is chairman of the executive committee of the Southern California Fire Underwriters Association, has named a committee to function with Pacific Coast Director Pierce North of the B. D. O., to carry the story of the B. D. O. and its operations to local agents associations in the southland. The committee consists of V. S. Kerans, state agent, Corroon & Reynolds; Marshall Rankin, special agent Aetna Ins. Co., and Roy O. Elmore, assistant secretary Pacific National Fire.

July 17 is the date for the annual picnic of Insurance Exchange of Portland, Ore. Fred Jewett of the Jewett, Barton, Leavy & Kearns general agency is chairman.

Urge Agency Companies, Stock and Mutual, to Unite

Raymond C. Baker, executive vice-president of Mutual Fire Insurance Association of New England, has issued a statement suggesting that stock and mutual fire companies operating on the agency plan join hands in promoting the agent in the esteem of the public. He believes that the insurance business should cease attacking consumer cooperatives, as he feels that these attacks have constituted gratis advertising for this movement.

Also, he believes that the agent should not be classed as a middleman but rather as the representative of the assured, a specialist and consultant. Many persons, he said, regard the middleman as the one who gets "his cut" without doing anything for the consumer. In the true sense, he said, there is no middleman in insurance. The agent actually is the retailer. He is the intermediary between the assured and the producer.

Mr. Baker contends that all agency companies should forget their differences and inaugurate an institutional advertising campaign to educate the public to the value of agency purchased insurance. The companies, he said, should be more selective in their agents.

The agent on his part should make the assured or prospect feel that the agent is not merely an agent for the company but is a specialist to render service to the public. The agent should have a well rounded knowledge of all types of insurance; he should be a counselor. "He should be a good merchant and represent both mutual and stock companies." He should know his companies, their age, financial standing and caliber of directors.

Taylor's Credit March Played

NEWARK—At the dinner-dance following the outing of the New Jersey Association of Credit Men, which was attended by many insurance men, the "Credit Convention March" composed by Harold E. Taylor, head of the sales promotion department of the American of Newark group, was played.

The march was written and dedicated at the annual meeting of the National Association of Credit Men in Toronto and was so well received that officials of the American of Newark decided to have the composition published.

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W. Va. Agents Program Given

The program is now announced for the annual meeting of the West Virginia Association of Insurance Agents at White Sulphur Springs, July 8-9. Registration will take place the morning of July 8, and the first business session will be held that afternoon.

Following the reports of the officers, addresses will be given by C. W. Meadows, attorney-general of West Virginia, and A. J. Smith of New York, member of the executive committee of the National association. There will be an open forum discussion.

At the banquet that evening the principal speakers will be E. M. Allen, executive vice-president of National Surety, and Commissioner Sims of West Virginia.

The final business session will be held the morning of July 19. Addresses will be given by George M. Healy of Pittsburgh, service manager of Automobile of Hartford, and J. J. Magrath of Chubb & Son, New York. It is anticipated that a number of distinguished persons in the insurance business will be presented to the convention, inasmuch as Aetna Life is holding a regional convention at White Sulphur Springs at the same time and the West Virginia Fire Underwriters Association is having its mid-year meeting there.

Westchester Agents Hear Walter Meiss

Walter Meiss of New York City, executive general agent at the head office of the London Assurance, in his talk before the Westchester County (N. Y.) Agents Association deplored any effort to put insurance work on a professional basis or to endeavor to see it in a scientific atmosphere. He said: "Ours is a business that is dependent for its success on the same practical considerations which determine success in all fields of endeavor." Mr. Meiss said that no one can expect any system to survive simply because of what it has done in the past.

In order to combat the consumer co-operative movement, he said the public must be given real facts. The situation calls for widely spreading the right type of propaganda by men who command respect, and practice what they preach.

Essex County Agents Group Stages Sales Demonstration

NEWARK—A feature of the meeting here of the metropolitan field council of the metropolitan department of the Home of New York was a sales demonstration, "The Dynamics of a Sale," put on by members of the Essex County Insurance Agents Association. Prof. L. J. Ackerman of the University of Newark conceived and directed the project.

"Prospect Sources" was covered by Arthur Zimmerman, "The Pre-Approach and the Selling of the Interview" by F. W. Westervelt, Jr., "Creating the Need" by R. H. Wyckoff, "Motivation" by C. W. Bollinger and "Consummation of a Sale" by H. L. Brooks. John Engel, Home of New York, presided and H. W. Puschel of the Home spoke briefly.

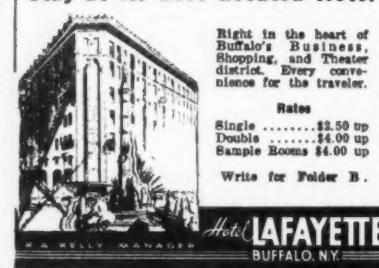
L. P. McCord of Jacksonville, Fla., chairman of the educational committee of the National Association of Insurance Agents, and M. W. Mays of the Business Development Office were in attendance.

N. J. Examiners Hold Outing

NEWARK—The annual outing and dinner of the examiners of the New Jersey department was attended by 11 representatives of other departments who were participating in the examination of New Jersey companies.

Speakers included Commissioner Reilly of New Jersey, Deputy Commissioner Gough and W. B. Wiegand, chief examiner.

Coming to Buffalo? Stay at its Best Located Hotel



J. EDGAR SMITH, pres.

IKE WALTON, mng. dir.

ED. C. BENNETT, mgr.

Visit DENVER COLORADO

Capital of the Nation's Playground is Denver—the logical place for your holiday or vacation. Shirley-Savoy invites you. Delightful rooms and suites. Famous for fine cuisine in the Dining Room, Coffee Shop, and Shirley Tavern, all air conditioned. Close to all activities.

400 ROOMS with bath from \$2.

HOTEL SHIRLEY-SAVOY

BROADWAY AT 17th STREET

ENJOY LIFE AT ITS BEST IN KANSAS CITY MISSOURI

GAY RENDEZVOUS, ENTERTAINMENT AND FINE FOOD

PENGUIN ROOM

D. C. BAKER Manager

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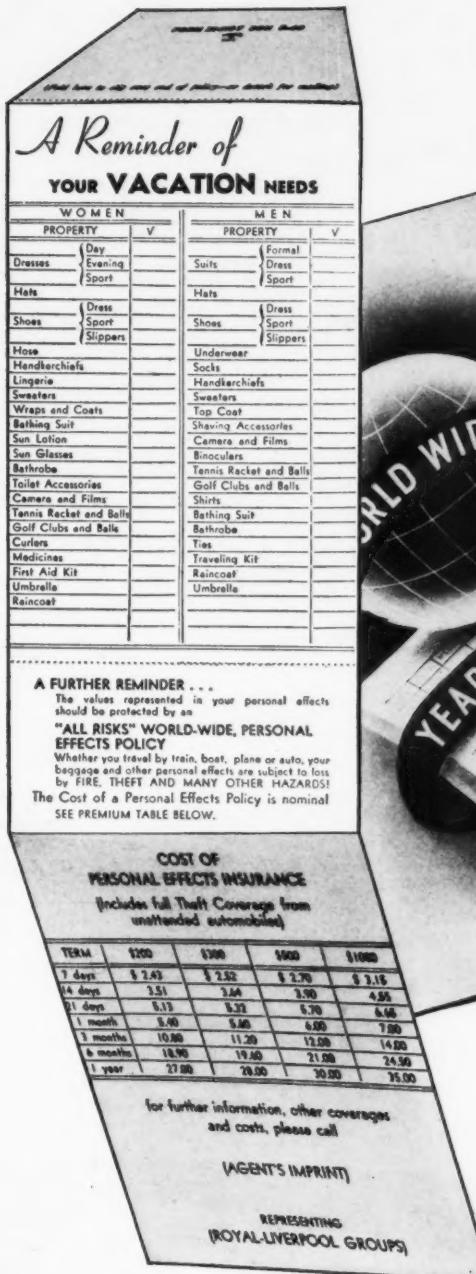
350 BEAUTIFUL ROOMS WITH BATH

From \$2.50 TO \$6.

11th & BALTIMORE

THE ALCOVE

HOTEL CONTINENTAL



"Silent salesmen" for Fire and all allied lines are helping Royal-Liverpool agents everywhere toward increased production.

VACATION Conferences

Comes the time when families everywhere are "in conference" on the absorbing topic of vacations.

Closely related to these plans, preparations and precautions are the "vacation insurance" selling aids pictured above—representative of the timely production material supplied to Royal-Liverpool agents.

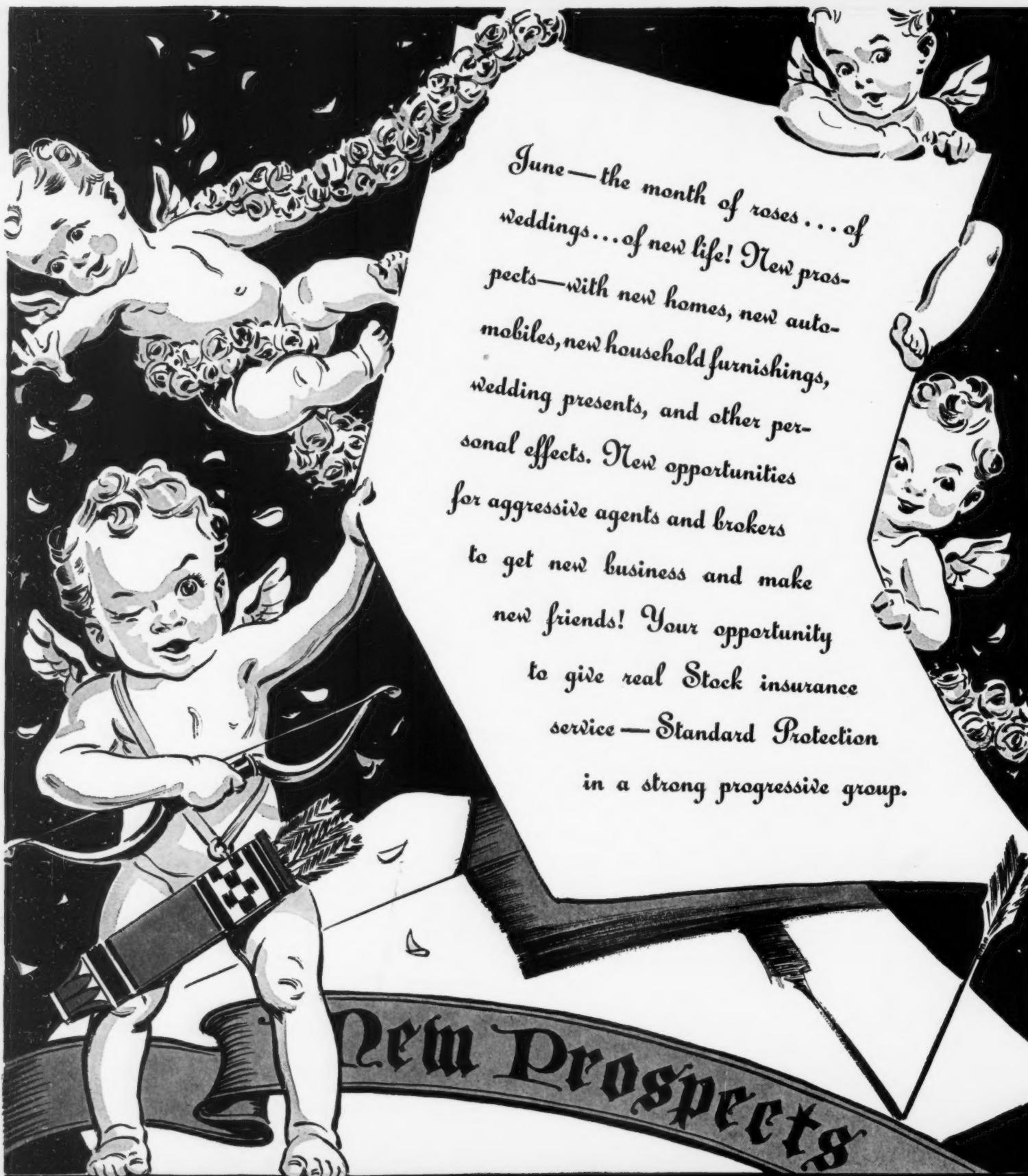
For a copy of this double-purpose "Reminder" form (you'll find it useful in connection with your own vacation plans) and information regarding many other sales helps that mean *increased production*, address Publicity Department.



ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA



June—the month of roses... of
weddings... of new life! New pros-
pects—with new homes, new auto-
mobiles, new household furnishings,
wedding presents, and other per-
sonal effects. New opportunities
for aggressive agents and brokers
to get new business and make
new friends! Your opportunity
to give real Stock insurance
service—Standard Protection
in a strong progressive group.

New Prospects

CRUM & FORSTER MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.
The North River Insurance Co.
Westchester Fire Insurance Co.
The Allemania Fire Insurance Co. of Pittsburgh

Organized 1824
Organized 1822
Organized 1837
Organized 1868

Richmond Insurance Co.
Western Assurance Co., U. S. Branch
British America Assurance Co., U. S. Branch
Southern Fire Insurance Co., Durham, N. C.

Organized 1836
Incorporated 1851
Incorporated 1833
Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.



Compulsory Cover Defended by Pink

Tells at N. Y. Bar Rally of Plans to Secure Greater Safety

SARANAC, N. Y.—Some people attack the plan of compulsory insurance as a license to be careless—to pay as you kill, but this is an unfair argument and far from fact as the one third who are now insured receive no license to kill simply because they have taken out protection for the public and for themselves, said Superintendent Pink of New York, talking on "More Extensive Protection for Victims of Automobile Accidents" at the meeting of the New York State Bar Association here.

Something like 30,000 deaths and about 1,000,000 accidents are caused each year by automobiles. Something must be done to protect the injured and the dependents of those who are killed. No one likes the compulsory part of compulsory automobile insurance, but the difficulty is that there seems to be no other practical and efficient way to provide protection.

Secure Greater Safety

The first and most important duty is to secure greater safety and prevent accidents insofar as it can humanly be done, Mr. Pink said. But no matter how good the laws may be or how well enforced, the tremendous number of automobiles constantly using the roads, cannot but bring accidents and death to a large number of people. For the person injured, particularly if it is through no fault of his own, there certainly should be some assurance of monetary compensation.

The compulsory statute has been tested in Massachusetts for a number of years, and from that New York has the benefit of the experience. The two great objections in Massachusetts have been unfair rating and undue interference with the selection of policyholders by the companies, Mr. Pink pointed out.

New York people will have the good fortune of having a rating system which has worked fairly and equitably and which is free from political interference. In the proposed law, this system of rating will continue, Mr. Pink said. Rates are made by cooperative organizations representing the companies and they are passed on by the superintendent of insurance before they can become effective.

Board of Three Planned

In whatever legislation that is adopted in New York, every effort will be made to see that the companies are not compelled to carry bad risks at the same rate as they carry the average car owner. This would mean an increase of expense to the careful driver as the company passes the cost along. Therefore, a board of three, including representatives of the insurance department and of the motor vehicle department is being provided. The third member would be an experienced insurance man who would know how to rate the undesirable risks.

If a man has been guilty of serious infractions of the motor vehicle law or is purely a menace to the road, he should be denied the privilege of driving at all. If his record indicates that he may be expensive to insure, although not bad enough to be refused a license, he should pay more than the average for the privilege of using the highways.

While the proposed law will undoubtedly benefit the legal fraternity, it brings with it not only greater opportunity but far larger responsibility. In the past, too much has been heard of rights and privileges and too little of responsibilities and duties. While compulsory insurance should not affect the number of deaths or the number of accidents, it



AT MEETING OF INSURANCE COMMISSIONERS IN HARTFORD:

Pictures by Harry Fuller, deputy U. S. manager of Zurich.
Top row—Harold R. Gordon, executive secretary Health & Accident Underwriters Conference; Arthur J. Ham, Denver; E. A. Smith, Jr., Pacific Mutual Life.
Second row—Calvin Fentress, Jr., vice-president Allstate; Attorney Henry Moser, Chicago. (Above)—Garfield Brown, American Mutual Alliance.

Harrington Raps Outside Control

(CONTINUED FROM PAGE 1)

of many of the states might be interpreted to enable a commissioner to make a selection rather than to give carte blanche to anybody who applies for an agent's license."

Question Bee Makes Hit

The meeting was attended by about 200 agents from all over Maryland. Addresses of welcome were made by Avery W. Hall, Salisbury, past president, and J. H. E. Legg, vice-president of the fifth district.

An Insurance Bee—"Let's Go Back to School"—was conducted by Guy T. Warfield, Jr., of the Warfield-Dorsey Co., Baltimore, assisted by F. A. Rolson of Henry M. Warfield-Rolson Co., Baltimore; E. C. Schuchhardt, Baltimore; Owen A. Donegan, Fidelity & Deposit, and Carl W. Wheelock, Baltimore, who acted as experts to answer questions which were submitted in writing from the floor. Each delegate who submitted a question that stumped the experts received a silver dollar. About 50 questions were submitted, six of

which stumped the experts. Several of the questions produced lively discussions from the floor.

J. F. Kell and J. R. Weaver of the Middle Department Rating Association reviewed changes in the Middle Department rules the past year and answered questions.

M. W. Mays, acting director of the Business Development Office, speaker on "Educating the Local Agent," declared that "a constructive program of insurance education is the answer to our competitive difficulties. It will right our sales techniques, which in too many cases have been upside down and as a result have been largely ineffective. We have been apologetic about our efforts and our achievements."

No Apology Needed

Mr. Mays disagreed with the comment often heard that the local agent must justify his existence if he hopes to survive, and that the American agency system is on trial. "The local agent," he said, "is the insurance adviser to his client. It is the local agent who assumes the responsibility for seeing that the various forms of coverage necessary for complete protection are brought to his customer's attention. It is the local agent who assumes the responsibility for seeing that his customers' policies are correctly written at the lowest cost consistent with sound indemnity. It is the local agent who assumes the responsibility for seeing that none of his customers' insurance is permitted to

lapse except at the assured's specific direction.

"It is the local agent who directs his customers in loss prevention activities for the saving of human lives and for the conservation of property. It is the local agent who day in and day out and for 24 hours each day watches over the insurance affairs of his customer, advising him in all insurance matters and protecting his customer's interests at all times. It is the local agent who gives the insurance companies the spread of risk which they need to operate successfully. For his services the local agent, like the architect, the doctor or the lawyer, receives a well-earned compensation.

"Does this sound as if the local agent needs any justification? Does this indicate that the American agency system should be on trial for its life? It doesn't to me. Local agents can well be proud of the contribution which they have made to the security of their customers and to the security of this entire nation. There is nothing of which local agents need be ashamed."

T. B. Brown, president of the New Jersey association, spoke on its activities. Three past president of the Maryland association—E. Churchill Murray, Annapolis; Avery W. Hall, Salisbury, and J. Edward Cochran, Hagerstown—also were speakers.

Short Course Projected

At the banquet President J. D. Lazenby announced that during the next academic year a short course in insurance will be conducted at the University of Maryland. It will be available to everyone who can qualify and who desires to avail himself of the opportunity. The details of the course will be worked out by a special committee and will be announced later.

Arthur D. Cronin of Boston, Mass., spoke at the banquet on "My Objections to Mutual Insurance." He listed five objections to mutual insurance: Group ratings, rate preferences and subsequent agitation for state control, misleading advertising, withholding of the surplus from policyholders, and tax preference, and outlined his ideas as to the best way to meet mutual competition.

J. G. Reese, supervisor insurance and safety Consolidated Gas Electric Light & Power Company of Baltimore, spoke on "A Buyer Discusses Stock Company Insurance."

At the business meeting President Lazenby announced the nominating committee for the annual meeting in October, consisting of past Presidents E. C. Murray, A. W. Hall and J. E. Cochran.

Presley D. Bowen of Poor, Bowen, Bartlett & Kennedy, Baltimore, was chairman of the convention committee and received a vote of thanks for his work.

H. H. Jones New President of Detroit Association

DETROIT—H. H. Jones, state manager industrial accident and health department Commercial Casualty, was elected president of the Detroit Accident & Health Association at the annual meeting. He is a charter member of the association and has served in many official capacities. He succeeds K. H. O'Connor, Maccabees.

E. W. Albachten, Pacific Mutual Life, was named vice-president and Ronald Marco, Great Northern Life, secretary-treasurer. Mr. O'Connor, R. H. MacKinnon, Massachusetts Bonding, and E. H. McFarland, North American Accident, all past presidents, were elected to the executive committee.

J. S. Bugas, Federal Bureau of Investigation, talked on "Modern Trends in Law Enforcement."

Paul B. Sommers, president of the American of Newark, which controls the Bankers Indemnity, has been elected a trustee of the Hospital Service Plan of New Jersey.

Aetna Life N. Y. Building Is Ready

Thousands to Attend Formal Reception Monday —Inspection by Directors

Opening ceremonies for the Aetna Life new office building at 151 William street, New York, began with an inspection of the building by the directors and others, and will conclude with a formal reception July 8.

Following the tour of inspection, the directors held their regular weekly meeting in the conference room on the mezzanine floor. Then there was a luncheon at the Drug & Chemical Club.

In the evening a party was held at the new building for the 900 members of the New York staff. A buffet supper was served and there was music for dancing. President M. B. Brainard, other company officials and a number of directors attended.

Plans For Reception

The formal reception will be held from 3 to 5 p. m. It will be attended by several thousand guests, including agents and brokers, company executives, officials of insurance departments, representatives of company organizations.

The actual moving from the present offices at 100 William street will be done the night of July 5, and the new building will be open for business the next morning.

The new structure will house the down-town New York offices of Aetna Casualty, Standard Fire and Automobile of Hartford. The R. H. Keffer general agency of Aetna Life will also have offices there. The Aetna life's up-town New York offices at 60 East 42nd street, in charge of General Agent K. A. Luther, will remain at the same location, as will the 42nd street branch of the casualty, fire and marine departments.

Seven Story Structure

The new building is of simple, modern and functional design. It is a seven-story structure, with provision for the addition of two more floors when necessary. It contains 120,000 square feet of floor space and was built at a cost of more than \$1,000,000. It occupies the westerly block front on William street, between Fulton and Ann streets, on a site which was secured by long-term lease from the Collegiate Reformed Protestant Dutch Church.

The most extensive use of glass brick yet used in Manhattan building construction has been employed and ventilating, lighting and sound-proofing equipment has been combined to solve planning problems created by the narrow streets and tall neighboring structures.

Commissioners Address Aetna Casualty Students

At a dinner in Hartford marking the close of the Aetna Casualty home office sales course, John C. Blackall, insurance commissioner of Connecticut, told the 44 graduates that if they applied the results of their training and sold and serviced insurance policies well, the work of insurance departments would be considerably lessened. "A great many of the complaints which insurance departments receive," said Mr. Blackall, "would undoubtedly be eliminated if agents were better informed."

Insurance Director Palmer of Illinois, whose son, Bradley, was among those graduating, and George H. Jamison, deputy superintendent of New York, also spoke.

Assets of the defunct New Jersey Fidelity & Plate Glass of Newark, consisting of real estate, furniture and fixtures, will be sold at public sale at the Newark office of the New Jersey department.

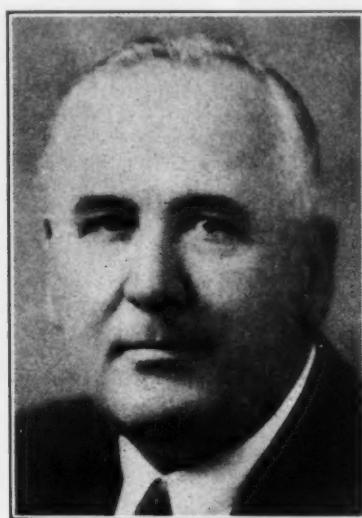
McCulloch Leaves Company Post to Reenter Agency Field

NEW YORK—After serving as production manager of Globe Indemnity for the past 18 months, Norman B. McCulloch, in conjunction with Thomas O'Berry, is launching the agency of

in local agency affairs, he was an active figure both in the Pennsylvania association and in the National Association of Insurance Agents, serving as vice-president of the former body in 1938. He



NORMAN B. McCULLOCH



THOMAS O'BERRY

O'Berry & McCulloch, Inc., with offices at Raleigh and Greensboro, N. C. Mr. McCulloch will take charge in Raleigh and Mr. O'Berry in Greensboro, where he already has a prosperous agency. The new firm will represent Globe Indemnity and National Surety on a general agency basis.

Prior to joining Globe Indemnity in 1939, Mr. McCulloch was vice-president of the agency of Eagle & Hambright, Lancaster, Pa. Always keenly interested

was on the membership committee of the National Association in 1936 and 1937, and chairman of its committee on publicity and education in 1938. A forceful and logical speaker, he frequently appeared on programs at agency gatherings.

Mr. O'Berry is a prominent figure in his state. He is a past president of the North Carolina Association of Insurance Agents and continues very active in the agents' affairs.

Trinity Universal Adds Auto to Personal P. L. Form

DALLAS—Trinity Universal has brought out a new comprehensive personal liability policy, which is a combination of personal liberty and automobile liability. It covers all liability of the assured under a single insuring clause and also includes automobile property damage liability. Other property damage liability insurance may be added by endorsement. The company states that the policy has been introduced in several middle western states and that the premium charged will be the prevailing automobile rate plus a flat charge for the personal liability feature, varying with the assured's territory.

The policy specifically includes liability assumed by the assured under contract in connection with his premises, thus covering assumptions in public service agreements, leases, etc. It excludes liability under any workmen's compensation law, liability to employees in the course of their employment, except domestic employees, automobiles owned by or furnished for the regular use of the named assured or members of his family unless described in the declarations, use of any commercial automobile not described in the declarations, use of any automobile in connection with the assured's business unless specifically insured, motorcycles, motor boats, aircraft, trailers used for delivery except for farm use, livery use of automobiles, premises owned by or rented to the assured unless specifically described, other than places of temporary residence, and accidents, other than automobile, arising out of the assured's business or profession.

The contract includes non-ownership liability insurance as regards use of automobiles other than in the assured's business and gives automatic coverage on newly acquired automobiles and residences. The spouse of the named assured is also covered.

Approve N. Y. Compensation Commission Increase

NEW YORK—The Compensation Insurance Rating Board approved the increase of maximum commissions from 15 percent to 17½ percent. This has been urged by the brokers' organizations for some time and was approved by the New York department. Recently the board failed to approve this when it was voted on with two other changes, but on a later separate vote the commission increase passed.

The effective date of the commission increase will be subject to approval by the state department. Last month Superintendent Pink ruled that business written after July 1 should be with the understanding that governing rates would be inserted in the policies later. The rate reduction approved June 18 averaged 9.3 percent and it is expected that 3.3 percent of this will be absorbed by the higher commissions.

Ind. Group Cuts School Bus Rate

INDIANAPOLIS—The Hoosierland Rating Bureau, which represents the organization of non-bureau automobile companies in Indiana, has reduced rates on school buses carrying not more than 30 passengers approximately 20 percent. This makes school buses in this group, regardless of territory, take the same liability premiums as school buses in the "remainder of the state" territory under the National Bureau schedule. These rates are effective July 10.

It is believed the bureau companies will use the automobile medical payments endorsement in Indiana beginning July 8.

on newly acquired automobiles and residences. The spouse of the named assured is also covered.

Experience Rating for Fidelity Bonds

Commercial Blanket and Blanket Position Forms Affected

NEW YORK—The Towner Rating Bureau has established experience rating for primary commercial blanket bonds and blanket position bonds with an annual premium of \$500 or more. It applies to all bonds on which the premium falls due on or after June 30 of this year. A five-year period will be used as a basis for experience rating.

The bulletin of the bureau announcing this change states that the experience over a five-year period shall be furnished within 45 days prior to renewal date. Bonds falling due in July or August of this year are required to be submitted at once. If no prior bonds have been carried or if the assured has been bonded in a company not a member of the Towner bureau, the bulletin calls for losses by years for the past five years over the signature of an officer of the assured. Experience on the uninsured portion of the business may also be submitted.

There has been considerable agitation from large assured for some form of merit rating on large schedule bonds. Some move of this type has been anticipated and has been advocated by many leading surety men for some time.

It is expected that this experience rating will be employed in connection with fidelity coverage under the new comprehensive policy, which includes fidelity, forgery, burglary and robbery hazards.

C. D. McVay Is Elected President

(CONTINUED FROM PAGE 3)

is a Methodist, a Mason. He and Mrs. Hawley live in the Hawley family homestead in the center of LeRoy.

Mr. McVay was born in 1892 in Athens. He was graduated from the Athens high school, Ohio University and from the Ohio State University law department. He was admitted to the Ohio bar in 1917; practiced law in Columbus until 1922 when he went to LeRoy as assistant counsel for Ohio Farmers. In 1926 he became general counsel. He has served as a director and vice-president since 1933 and as executive vice-president since 1938. In training and experience Mr. McVay is well fitted for his new responsibilities.

He and Mrs. McVay occupy a modern home adjoining that of Mr. Hawley.

Travelers Writes Bond No. 1

Bond No. 1 of the new fidelity and surety department of Travelers Indemnity was signed July 1 by Vice-president J. W. Randall, countersigned by Secretary James C. Smith and delivered by Vice-president Howard A. Giddings to J. Watson Beach, agent of Travelers and grandson of the founder of the company, James G. Batterson.

The bond was in behalf of G. Fox & Company. Thus Hartford's oldest department store and the largest establishment of its kind in New England became the first bondholder of Travelers Indemnity.

Atlanta Offices Enlarged

E. J. Aurada, manager of American Automobile in Atlanta, announces the removal of offices from the seventh floor to enlarged quarters on the fourth floor of the Trust Company of Georgia building.